

107TH CONGRESS  
1ST SESSION

# H. R. 345

To amend the Elementary and Secondary Education Act of 1965, to reauthorize and make improvements to that Act, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 31, 2001

Mr. ROEMER (for himself, Mr. DOOLEY of California, Mr. SMITH of Washington, Mr. BENTSEN, Mr. CARSON of Oklahoma, Mr. CLEMENT, Mr. CRAMER, Mr. DAVIS of Florida, Mrs. DAVIS of California, Ms. HARMAN, Mr. ISRAEL, Mr. KIND, Mr. LARSEN of Washington, Mrs. MCCARTHY of New York, Mr. MORAN of Virginia, Mr. SCHIFF, and Mrs. TAUSCHER) introduced the following bill; which was referred to the Committee on Education and the Workforce

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## A BILL

To amend the Elementary and Secondary Education Act of 1965, to reauthorize and make improvements to that Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

### 3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Public Education Reinvestment, Reinvention, and Re-  
6 sponsibility Act (Three R’s)”.

- 1 (b) TABLE OF CONTENTS.—The table of contents of  
 2 this Act is as follows:

- Sec. 1. Short title; table of contents.  
 Sec. 2. References.  
 Sec. 3. Declaration of priorities.

#### TITLE I—STUDENT PERFORMANCE

- Sec. 101. Heading.  
 Sec. 102. Findings, policy, and purpose.  
 Sec. 103. Authorization of appropriations.  
 Sec. 104. Reservation for school improvement.

#### PART A—IMPROVING BASIC PROGRAMS OPERATED BY LOCAL EDUCATIONAL AGENCIES

- Sec. 105. State plans.  
 Sec. 106. Local educational agency plans.  
 Sec. 107. Schoolwide programs.  
 Sec. 108. School choice.  
 Sec. 109. Assessment and local educational agency and school improvement.  
 Sec. 110. State assistance for school support and improvement.  
 Sec. 111. Parental involvement changes.  
 Sec. 112. Qualifications for teachers and paraprofessionals.  
 Sec. 113. Professional development.  
 Sec. 114. Fiscal requirements.  
 Sec. 115. Coordination requirements.  
 Sec. 115A. Limitations on funds.  
 Sec. 116. Grants for the outlying areas and the Secretary of the Interior.  
 Sec. 122. Participation of children enrolled in private schools.

#### PART B—EVEN START FAMILY LITERACY PROGRAMS

- Sec. 131. Program authorized.  
 Sec. 132. Applications.  
 Sec. 133. Research.

#### PART C—EDUCATION OF MIGRATORY CHILDREN

- Sec. 141. State allocations.  
 Sec. 142. State applications; services.  
 Sec. 143. Authorized activities.  
 Sec. 144. Coordination of migrant education activities.

#### PART D—NEGLECTED OR DELINQUENT YOUTH

- Sec. 151. Neglected or delinquent youth.  
 Sec. 152. Findings.  
 Sec. 153. Allocation of funds.  
 Sec. 154. State plan and State agency applications.  
 Sec. 155. Use of funds.  
 Sec. 156. Purpose.  
 Sec. 157. Transition services.  
 Sec. 158. Programs operated by local educational agencies.  
 Sec. 159. Local educational agency applications.

- Sec. 160. Uses of funds.
- Sec. 161. Program requirements.
- Sec. 162. Program evaluations.

#### PART E—GENERAL PROVISIONS

- Sec. 171. General provisions.

#### PART F—FEDERAL EVALUATIONS, DEMONSTRATIONS, AND TRANSITION PROJECTS

- Sec. 181. Evaluations.
- Sec. 182. Demonstrations of innovative practices.

#### PART G—RURAL EDUCATION ACHIEVEMENT PROGRAM

##### TITLE II—TEACHER AND PRINCIPAL QUALITY, PROFESSIONAL DEVELOPMENT, AND CLASS SIZE

- Sec. 201. Teacher and principal quality, professional development, and class size.

##### TITLE III—LANGUAGE MINORITY STUDENTS AND INDIAN, NATIVE HAWAIIAN, AND ALASKA NATIVE EDUCATION

- Sec. 301. Language minority students.
- Sec. 302. Emergency immigrant education program.
- Sec. 303. Indian, Native Hawaiian, and Alaska Native education.

##### TITLE IV—PUBLIC SCHOOL CHOICE

- Sec. 401. Public school choice.
- Sec. 402. Development of public school choice programs; report cards.

##### TITLE V—IMPACT AID

- Sec. 501. Payments relating to Federal acquisition of real property.
- Sec. 502. Repeal of special rule relating to the computation of payments for eligible federally connected children.
- Sec. 503. Extension of authorization of appropriations.
- Sec. 504. Repeals, transfers, and redesignations.

##### TITLE VI—HIGH PERFORMANCE AND QUALITY EDUCATION INITIATIVES

- Sec. 601. High performance and quality education initiatives.

##### TITLE VII—ACCOUNTABILITY

- Sec. 701. Accountability.

##### TITLE VIII—GENERAL PROVISIONS AND REPEALS

- Sec. 801. Repeals, transfers, and redesignations regarding titles VIII and XIV.
- Sec. 802. Other repeals.

1 **SEC. 2. REFERENCES.**

2 Except as otherwise expressly provided, whenever in  
3 this Act an amendment or repeal is expressed in terms  
4 of an amendment to, or repeal of, a section or other provi-  
5 sion, the reference shall be considered to be made to a  
6 section or other provision of the Elementary and Sec-  
7 ondary Education Act of 1965 (20 U.S.C. 6301 et seq.).

8 **SEC. 3. DECLARATION OF PRIORITIES.**

9 Congress declares that our national educational prior-  
10 ities are to—

11 (1) introduce real accountability by making  
12 public elementary school and secondary school edu-  
13 cation funding performance-based rather than a  
14 guaranteed source of revenue for States and local  
15 educational agencies;

16 (2) require State educational agencies and local  
17 educational agencies to establish high student per-  
18 formance objectives, and to provide the State edu-  
19 cational agencies and local educational agencies with  
20 flexibility in using Federal resources to ensure that  
21 the performance objectives are met;

22 (3) concentrate Federal funding around a small  
23 number of central education goals, including com-  
24 pensatory education for disadvantaged children and  
25 youth, teacher quality and professional development,  
26 programs for limited English proficient students,

1 public school choice programs, innovative educational  
2 programs, student safety, and the incorporation of  
3 educational technology;

4 (4) concentrate Federal education funding on  
5 impoverished areas where elementary schools and  
6 secondary schools are most likely to be in distress;

7 (5) sanction State educational agencies and  
8 local educational agencies that consistently fail to  
9 meet established performance objectives; and

10 (6) reward State educational agencies, local  
11 educational agencies, and elementary schools and  
12 secondary schools that demonstrate high perform-  
13 ance.

## 14 **TITLE I—STUDENT** 15 **PERFORMANCE**

### 16 **SEC. 101. HEADING.**

17 The heading for title I (20 U.S.C. 6301 et seq.) is  
18 amended to read as follows:

## 19 **“TITLE I—STUDENT** 20 **PERFORMANCE”.**

### 21 **SEC. 102. FINDINGS, POLICY, AND PURPOSE.**

22 Section 1001 (20 U.S.C. 6301) is amended to read  
23 as follows:

1 **“SEC. 1001. FINDINGS, POLICY AND PURPOSE.**

2 “(a) FINDINGS.—Congress makes the following find-  
3 ings:

4 “(1) Despite more than 3 decades of Federal  
5 assistance, a sizable achievement gap remains be-  
6 tween low-income and middle-class students.

7 “(2) The 1994 reauthorization of the Elemen-  
8 tary and Secondary Education Act of 1965 was an  
9 important step in focusing our Nation’s priorities on  
10 closing the achievement gap between poor and afflu-  
11 ent students in the United States. The Federal Gov-  
12 ernment must continue to build on these improve-  
13 ments made in 1994 by holding States and local  
14 educational agencies accountable for student achieve-  
15 ment.

16 “(3) States can help close this achievement gap  
17 by developing challenging curriculum content and  
18 student performance standards so that all elemen-  
19 tary school and secondary school students perform  
20 at an advanced level. States should implement vig-  
21 orous and comprehensive student performance as-  
22 sessments, such as the National Assessment of Edu-  
23 cational Progress (NAEP) so as to measure fully the  
24 progress of our Nation’s students.

25 “(4) In order to ensure that no child is left be-  
26 hind in the new economy, the Federal Government

1 must better target Federal resources on those chil-  
2 dren who are most at-risk for falling behind aca-  
3 demically.

4 “(5)(A) Title I funds have been targeted on  
5 high-poverty areas, but not to the degree they should  
6 be as demonstrated by the following:

7 “(B) Although 95 percent of schools with pov-  
8 erty levels of 75 percent to 100 percent receive title  
9 I funding, 20 percent of schools with poverty levels  
10 of 50 to 74 percent do not receive any title I fund-  
11 ing.

12 “(C) Only 64 percent of schools with poverty  
13 levels in the 35 percent to 49 percent range receive  
14 title I funding.

15 “(6) Title I funding should be significantly in-  
16 creased and more effectively targeted to ensure that  
17 all low-income students have an opportunity to excel  
18 academically.

19 “(7) The Federal Government should provide  
20 greater decisionmaking authority and flexibility to  
21 schools and teachers in exchange for greater respon-  
22 sibility for student performance. Federal, State, and  
23 local efforts should be focused on raising the aca-  
24 demic achievement of all students. Our Nation’s  
25 children deserve nothing less than holding account-

1       able those responsible for shaping our childrens’ fu-  
2       ture and our country’s future.

3       “(b) POLICY.—Congress declares that it is the policy  
4 of the United States to ensure that all students receive  
5 a high-quality education by holding States, local edu-  
6 cational agencies, and elementary schools and secondary  
7 schools accountable for increased student academic per-  
8 formance results, and by facilitating improved classroom  
9 instruction.

10       “(c) PURPOSES.—The purposes of this title are as  
11 follows:

12               “(1) To eliminate the existing 2-tiered edu-  
13 cational system, which sets lower academic expecta-  
14 tions for impoverished students than for affluent  
15 students.

16               “(2) To require all States to have challenging  
17 content and student performance standards and as-  
18 sessment measures in place.

19               “(3) To require all States to ensure adequate  
20 yearly progress for all students by establishing an-  
21 nual, numerical performance objectives.

22               “(4) To ensure that all title I students receive  
23 educational instruction from a fully qualified teach-  
24 er.



1           “(5) To support State and local educational  
2           agencies in identifying, assisting, and correcting low-  
3           performing schools.

4           “(6) To increase Federal funding for part A  
5           programs for disadvantaged students in return for  
6           increased academic performance of all students.

7           “(7) To target Federal funding to local edu-  
8           cational agencies serving the highest percentages of  
9           low-income students.”.

10 **SEC. 103. AUTHORIZATION OF APPROPRIATIONS.**

11       Section 1002 (20 U.S.C. 6302) is amended to read  
12 as follows:

13 **“SEC. 1002. AUTHORIZATION OF APPROPRIATIONS.**

14       “(a) LOCAL EDUCATIONAL AGENCY GRANTS.—For  
15 the purpose of carrying out part A, other than section  
16 1120(e), there are authorized to be appropriated  
17 \$13,000,000,000 for fiscal year 2002 and such sums as  
18 may be necessary for each of the 4 succeeding fiscal years.

19       “(b) EVEN START.—For the purpose of carrying out  
20 part B, there are authorized to be appropriated such sums  
21 as may be necessary for fiscal year 2002 and each of the  
22 4 succeeding fiscal years.

23       “(c) EDUCATION OF MIGRATORY CHILDREN.—For  
24 the purpose of carrying out part C, there are authorized

1 to be appropriated such sums as may be necessary for fis-  
 2 cal year 2002 and each of the 4 succeeding fiscal years.

3 “(d) PREVENTION AND INTERVENTION PROGRAMS  
 4 FOR YOUTH WHO ARE NEGLECTED, DELINQUENT, OR AT  
 5 RISK OF DROPPING OUT.—For the purpose of carrying  
 6 out part D, there are authorized to be appropriated such  
 7 sums as may be necessary for fiscal year 2002 and each  
 8 of the 4 succeeding fiscal years.

9 “(e) CAPITAL EXPENSES.—For the purpose of car-  
 10 rying out section 1120(e), there are authorized to be ap-  
 11 propriated \$5,000,000 for fiscal year 2002 and such sums  
 12 as may be necessary for each of the 4 succeeding fiscal  
 13 years.

14 “(f) FEDERAL ACTIVITIES.—For the purpose of car-  
 15 rying out sections 1501 and 1502, there are authorized  
 16 to be appropriated such sums as may be necessary for fis-  
 17 cal year 2002 and each of the 4 succeeding fiscal years.”.

18 **SEC. 104. RESERVATION FOR SCHOOL IMPROVEMENT.**

19 Section 1003 (20 U.S.C. 6303) is amended to read  
 20 as follows:

21 **“SEC. 1003. RESERVATION FOR SCHOOL IMPROVEMENT.**

22 “(a) STATE RESERVATIONS.—

23 “(1) IN GENERAL.—Each State educational  
 24 agency shall reserve 2.5 percent of the amount the  
 25 State educational agency receives under part A for

1       fiscal years 2002 and 2003, and 3.5 percent of that  
2       amount for fiscal years 2004 through 2006, to carry  
3       out paragraph (2) and to carry out the State edu-  
4       cational agency's responsibilities under sections 1116  
5       and 1117, including the State educational agency's  
6       statewide system of technical assistance and support  
7       for local educational agencies.

8               “(2) USES.—Of the amount reserved under  
9       paragraph (1) for any fiscal year, the State edu-  
10      cational agency shall make available at least 95 per-  
11      cent of such amount directly to local educational  
12      agencies.

13       **PART A—IMPROVING BASIC PROGRAMS**

14       **OPERATED BY LOCAL EDUCATIONAL AGENCIES**

15       **SEC. 105. STATE PLANS.**

16       Section 1111 (20 U.S.C. 6311) is amended to read  
17      as follows:

18       **“SEC. 1111. STATE PLANS.**

19               “(a) PLANS REQUIRED.—

20               “(1) IN GENERAL.—Any State educational  
21      agency desiring a grant under this part shall submit  
22      to the Secretary a plan, developed in consultation  
23      with local educational agencies, teachers, pupil serv-  
24      ices personnel, administrators (including administra-  
25      tors of programs described in other parts of this

1 title), local school boards, other staff, parents, and  
2 other community partners such as institutions of  
3 higher education that satisfies the requirements of  
4 this section and that is coordinated with other pro-  
5 grams under this Act, the Individuals with Disabil-  
6 ities Education Act, the Carl D. Perkins Vocational  
7 and Technical Education Act of 1998, and the Head  
8 Start Act.

9 “(2) CONSOLIDATED PLAN.—A State plan sub-  
10 mitted under paragraph (1) may be submitted as  
11 part of a consolidated plan under section 8302.

12 “(b) STANDARDS, ASSESSMENTS, AND ACCOUNT-  
13 ABILITY.—

14 “(1) CHALLENGING STANDARDS.—

15 “(A) IN GENERAL.—Each State plan shall  
16 demonstrate that the State has adopted chal-  
17 lenging content standards and challenging stu-  
18 dent performance standards that will be used  
19 by the State, and the local educational agencies,  
20 and elementary schools and secondary schools,  
21 within the State to carry out this part.

22 “(B) UNIFORMITY.—The standards re-  
23 quired by subparagraph (A) shall be the same  
24 standards that the State applies to all elemen-

1           tary schools and secondary schools within the  
2           State and all children attending such schools.

3           “(C) SUBJECTS.—The State shall have  
4           such standards for elementary school and sec-  
5           ondary school children served under this part in  
6           subjects determined by the State, but including  
7           at least mathematics, science, and English lan-  
8           guage arts, and which shall include the same  
9           knowledge, skills, and levels of performance ex-  
10          pected of all children.

11          “(D) STANDARDS.—Standards under this  
12          paragraph shall include—

13               “(i) challenging content standards in  
14               academic subjects that—

15                       “(I) specify what children are ex-  
16                       pected to know and be able to do;

17                       “(II) contain coherent and rig-  
18                       orous content; and

19                       “(III) encourage the teaching of  
20                       advanced skills; and

21               “(ii) challenging student performance  
22               standards that—

23                       “(I) are aligned with the State’s  
24                       content standards;

1 “(II) describe 2 levels of high  
2 performance, proficient and advanced  
3 levels of performance, that determine  
4 how well children are mastering the  
5 material in the State content stand-  
6 ards; and

7 “(III) describe a third level of  
8 performance, a basic level of perform-  
9 ance, to provide complete information  
10 about the progress of the lower per-  
11 forming children toward achieving to  
12 the proficient and advanced levels of  
13 performance.

14 “(E) ADDITIONAL SUBJECTS.—For the  
15 subjects in which students will be served under  
16 this part, but for which a State is not required  
17 under subparagraphs (A), (B), and (C) to de-  
18 velop, and has not otherwise developed, chal-  
19 lenging content and student performance stand-  
20 ards, the State plan shall describe a strategy  
21 for ensuring that such students are taught the  
22 same knowledge and skills and held to the same  
23 expectations as are all children.

24 “(F) SPECIAL RULE.—In the case of a  
25 State that allows local educational agencies to

1 adopt more rigorous standards than those set  
2 by the State, local educational agencies shall be  
3 allowed to implement such standards.

4 “(2) ADEQUATE YEARLY PROGRESS.—

5 “(A) IN GENERAL.—Each State plan shall  
6 demonstrate, based on assessments described  
7 under paragraph (4), what constitutes adequate  
8 yearly progress of—

9 “(i) any school served under this part  
10 toward enabling all children to meet the  
11 State’s challenging student performance  
12 standards;

13 “(ii) any local educational agency that  
14 receives funds under this part toward ena-  
15 bling all children in schools served by the  
16 local educational agency and receiving as-  
17 sistance under this part to meet the  
18 State’s challenging student performance  
19 standards; and

20 “(iii) the State in enabling all children  
21 in schools receiving assistance under this  
22 part to meet the State’s challenging stu-  
23 dent performance standards.

1           “(B)     DEFINITION.—Adequate     yearly  
2           progress shall be defined by the State in a man-  
3           ner that—

4                   “(i) applies the same high standards  
5                   of academic performance to all students in  
6                   the State;

7                   “(ii) takes into account the progress  
8                   of all students in the State and in each  
9                   local educational agency and school served  
10                  under section 1114 or 1115;

11                  “(iii) uses the State challenging con-  
12                  tent and challenging student performance  
13                  standards and assessments described in  
14                  paragraphs (1) and (4);

15                  “(iv) compares separately, within each  
16                  State, local educational agency, and school,  
17                  the performance and progress of students,  
18                  by each major ethnic and racial group, by  
19                  gender, by English proficiency status, by  
20                  disability and migrant status, and by eco-  
21                  nomically disadvantaged students as com-  
22                  pared to students who are not economically  
23                  disadvantaged     (except     that     such  
24                  disaggregation shall not be required in a  
25                  case in which the number of students in a



1 category is insufficient to yield statistically  
2 reliable information or the results would  
3 reveal individually identifiable information  
4 about an individual student);

5 “(v) compares the proportions of stu-  
6 dents at the basic, proficient, and ad-  
7 vanced levels of performance with the pro-  
8 portions of students at each of the 3 per-  
9 formance levels in the same grade in the  
10 previous school year;

11 “(vi) endeavors to include other aca-  
12 demic measures such as promotion, attend-  
13 ance, drop-out rates, completion of college  
14 preparatory courses, college admission  
15 tests taken, and secondary school comple-  
16 tion, except that failure to meet another  
17 academic measure, other than student per-  
18 formance on State assessments aligned  
19 with State standards, shall not provide the  
20 sole basis for designating a district or  
21 school as in need of improvement;

22 “(vii) includes annual numerical ob-  
23 jectives for improving the performance of  
24 all groups described in clause (iv) and nar-  
25 rowing gaps in performance between these

1 groups in, at least, the areas of mathe-  
2 matics and English language arts; and

3 “(viii) includes a timeline for ensuring  
4 that each group of students described in  
5 clause (iv) meets or exceeds the State’s  
6 proficient level of performance on each  
7 State assessment used for the purposes of  
8 this section and section 1116 not later  
9 than 10 years after the date of enactment  
10 of the Public Education Reinvestment, Re-  
11 invention, and Responsibility Act (Three  
12 R’s).

13 “(C) ACCOUNTABILITY.—Each State plan  
14 shall demonstrate that the State has developed  
15 and is implementing a statewide accountability  
16 system that has been or will be effective in en-  
17 suring that all local educational agencies, ele-  
18 mentary schools, and secondary schools are  
19 making adequate yearly progress as defined in  
20 section 1111(b)(2)(B). Each State account-  
21 ability system shall—

22 “(i) be based on the standards and as-  
23 sessments adopted under paragraphs (1)  
24 and (4) and take into account the perform-

1           ance of all students required by law to be  
2           included in such assessments;

3           “(ii) be the same accountability sys-  
4           tem the State uses for all schools or all  
5           local educational agencies, if the State has  
6           an accountability system for all schools or  
7           all local educational agencies;

8           “(iii) provide for the identification of  
9           schools or local educational agencies receiv-  
10          ing funds under this part that for 2 con-  
11          secutive years have exceeded such schools’  
12          or agencies’ adequate yearly progress goals  
13          so that information about the practices  
14          and strategies of such schools or agencies  
15          can be disseminated to other schools in the  
16          local educational agency and in the State  
17          and such schools can be considered for re-  
18          wards provided under title VII of this Act;

19          “(iv) provide for the identification of  
20          schools and local educational agencies in  
21          need of improvement, as required by sec-  
22          tion 1116, and for the provision of tech-  
23          nical assistance, professional development,  
24          and other capacity-building as needed, in-  
25          cluding those measures specified in sec-

1           tions 1116(d)(9) and 1117, to ensure that  
2           schools and local educational agencies so  
3           identified have the resources, skills, and  
4           knowledge needed to carry out their obliga-  
5           tions under sections 1114 and 1115 and to  
6           meet the requirements for annual improve-  
7           ment described in paragraph (2); and

8           “(v) provide for the identification of  
9           schools and local educational agencies for  
10          corrective action or actions as required by  
11          section 1116, and for the implementation  
12          of corrective actions against school and  
13          school districts when such actions are re-  
14          quired under such section.

15          “(D)     ANNUAL     IMPROVEMENT     FOR  
16          STATES.—(i) For a State to make adequate  
17          yearly progress under subparagraph (A)(iii),  
18          not less than 90 percent of the local educational  
19          agencies within the State shall meet the State’s  
20          criteria for adequate yearly progress.

21          “(ii) If 90 percent requirements of clause  
22          (i) results in a fractured number of local edu-  
23          cational agencies, the Secretary shall provide  
24          guidance and modification of the percentage re-

1           quirement necessary to meet congressional in-  
2           tent of this language.

3           “(E)(i)    ANNUAL    IMPROVEMENT    FOR  
4           LOCAL   EDUCATIONAL   AGENCIES.—(1) For a  
5           local educational agency to make adequate year-  
6           ly progress under subparagraph (A)(ii), not less  
7           than 90 percent of the schools served by the  
8           local educational agency shall meet the State’s  
9           criteria for adequate yearly progress.

10          “(ii) If the 90 percent requirement of  
11          clause (i) results in a fractured number of  
12          schools, the Secretary shall provide guidance on  
13          modification of the percentage requirement nec-  
14          essary to meet congressional intent of this lan-  
15          guage.

16          “(F)    ANNUAL    IMPROVEMENT    FOR  
17          SCHOOLS.—For an elementary school or a sec-  
18          ondary school to make adequate yearly progress  
19          under subparagraph (A)(i), not less than 90  
20          percent of each group of students described in  
21          subparagraph (B)(iv) who are enrolled in such  
22          school shall take the assessments described in  
23          paragraph (4)(D) and in section 612(a)(17)(A)  
24          of the Individuals with Disabilities Education  
25          Act.

1 “(G) PUBLIC NOTICE AND COMMENT.—

2 “(i) IN GENERAL.—Each State shall  
3 submit information in the State plan dem-  
4 onstrating that in developing such plan—

5 “(I) the State diligently sought  
6 public comment from a range of insti-  
7 tutions and individuals in the State  
8 with an interest in improved student  
9 achievement; and

10 “(II) the State made and will  
11 continue to make a substantial effort  
12 to ensure that information regarding  
13 content standards, performance stand-  
14 ards, assessments, and the State ac-  
15 countability system is widely known  
16 and understood by the public, parents,  
17 teachers, and school administrators  
18 throughout the State.

19 “(ii) EFFORTS.—The efforts described  
20 in clause (i), at a minimum, shall include  
21 annual publication of such information and  
22 explanatory text to the public through such  
23 means as the Internet, the media, and pub-  
24 lic agencies. Non-English language shall be

1           used to communicate with parents where  
2           appropriate.

3           “(H) REVIEW.—The Secretary shall review  
4           information from each State on the adequate  
5           yearly progress of schools and local educational  
6           agencies within the State required under sub-  
7           paragraphs (A) and (B) for the purpose of de-  
8           termining State and local compliance with sec-  
9           tion 1116.

10          “(3) STATE AUTHORITY.—If a State edu-  
11          cational agency provides evidence that is satisfactory  
12          to the Secretary that neither the State educational  
13          agency nor any other State government official,  
14          agency, or entity has sufficient authority under  
15          State law to adopt curriculum content and student  
16          performance standards, and assessments aligned  
17          with such standards, that will be applicable to all  
18          students enrolled in the State’s public schools, then  
19          the State educational agency may meet the require-  
20          ments of this subsection by—

21                 “(A) adopting curriculum content and stu-  
22                 dent performance standards and assessments  
23                 that meet the requirements of this subsection,  
24                 on a statewide basis, and limiting the applica-

1           bility of such standards and assessments to stu-  
2           dents served under this part; or

3           “(B) adopting and implementing policies  
4           that ensure that each local educational agency  
5           within a State receiving a grant under this part  
6           will adopt curriculum content and student per-  
7           formance standards and assessments—

8           “(i) that are aligned with the stand-  
9           ards described in subparagraph (A); and

10          “(ii) that meet the criteria in this sub-  
11          section and any regulations regarding such  
12          standards and assessments that the Sec-  
13          retary may publish and that are applicable  
14          to all students served by each such local  
15          educational agency.

16          “(4) ASSESSMENTS.—Each State plan shall  
17          demonstrate that the State has implemented a set of  
18          high quality, yearly student assessments that in-  
19          clude, at a minimum, assessments in mathematics,  
20          science, and English language arts, that will be  
21          used, starting not later than the 2002–2003 school  
22          year as the primary means of determining the yearly  
23          performance of each local educational agency and  
24          school served by the State under this title in ena-  
25          bling all children to meet the State’s challenging



1 content and student performance standards. Such  
2 assessments shall—

3 “(A) be the same assessments used to  
4 measure the performance of all children, if the  
5 State measures the performance of all children;

6 “(B) be aligned with the State’s chal-  
7 lenging content and student performance stand-  
8 ards, and provide coherent information about  
9 the local educational agency’s contribution to  
10 the student attainment of such standards;

11 “(C) be used only for purposes for which  
12 such assessments are valid and reliable, and be  
13 consistent with relevant, nationally recognized  
14 professional and technical standards for such  
15 assessments;

16 “(D) measure the performance of students  
17 against the challenging State content and stu-  
18 dent performance standards, and be adminis-  
19 tered not less than once during—

20 “(i) grades 3 through 5;

21 “(ii) grades 6 through 9; and

22 “(iii) grades 10 through 12;

23 “(E) include multiple, up-to-date measures  
24 of student performance and the local edu-  
25 cational agency’s contribution to student per-

1 formance, including measures that assess high-  
2 er order thinking skills and understanding;

3 “(F) provide for—

4 “(i) the participation in such assess-  
5 ments of all students;

6 “(ii) the reasonable adaptations and  
7 accommodations for students with disabil-  
8 ities as defined in 602(3) of the Individ-  
9 uals with Disabilities Education Act nec-  
10 essary to measure the achievement of such  
11 students relative to State content and stu-  
12 dent performance standards;

13 “(iii) in the case of a student with  
14 limited English proficiency, the assessment  
15 of such student in the student’s native lan-  
16 guage if such a native language assessment  
17 is more likely than an English language  
18 assessment to yield accurate and reliable  
19 information on what that student knows  
20 and is able to do; and

21 “(iv) notwithstanding clause (iii), the  
22 assessment (using tests written in English)  
23 of English language arts of any student  
24 who has attended school in the United  
25 States (not including the Commonwealth of

1           Puerto Rico) for 3 or more consecutive  
2           school years, except if the local educational  
3           agency determines, on a case-by-case indi-  
4           vidual basis, that assessments in another  
5           language and form would likely yield more  
6           accurate and reliable information on what  
7           such students know and can do, the local  
8           educational agency may assess such stu-  
9           dents in the appropriate language other  
10          than English for 1 additional consecutive  
11          year beyond the third consecutive year;  
12          and

13          “(G) include students who have attended  
14          schools in a local educational agency for a full  
15          academic year but have not attended a single  
16          school for a full academic year, except that the  
17          performance of students who have attended  
18          more than 1 school in the local educational  
19          agency in any academic year shall be used only  
20          in determining the progress of the local edu-  
21          cational agency;

22          “(H) provide individual student reports to  
23          be submitted to parents, including assessment  
24          scores or other information on the attainment  
25          of student performance standards; and

1           “(I) enable results to be disaggregated  
2           within each State, local educational agency, and  
3           school by gender, by each major racial and eth-  
4           nic group, by English proficiency status, and by  
5           economically disadvantaged students as com-  
6           pared to students who are not economically dis-  
7           advantaged.

8           “(5) RIGOROUS CRITERIA.—States are encour-  
9           aged to use rigorous criteria assessment measures.

10          “(6) FIRST GRADE LITERACY ASSESSMENT.—In  
11          addition to those assessments described in para-  
12          graph (4), each State receiving funds under this  
13          part shall describe in its State plan what reasonable  
14          steps it is taking to assist and encourage local edu-  
15          cational agencies—

16               “(A) to measure literacy skills of first  
17               graders in schools receiving funds under this  
18               part by providing assessments of first graders  
19               that are—

20                       “(i) developmentally appropriate;

21                       “(ii) aligned with State content and  
22                       student performance standards; and

23                       “(iii) scientifically research-based; and

24               “(B) to assist and encourage local edu-  
25               cational agencies receiving funds under this

1 part in identifying and taking developmentally  
2 appropriate and effective interventions in any  
3 school served under this part in which a sub-  
4 stantial number of first graders have not dem-  
5 onstrated grade-level literacy proficiency by the  
6 end of the school year.

7 “(7) LANGUAGE ASSESSMENTS.—Each State  
8 plan shall identify the languages other than English  
9 and Spanish that are present in the participating  
10 student populations in the State, and indicate the  
11 languages for which yearly student assessments are  
12 not available and are needed. The State may request  
13 assistance from the Secretary if linguistically acces-  
14 sible assessment measures are needed. Upon request,  
15 the Secretary shall assist with the identification of  
16 appropriate assessment measures in the needed lan-  
17 guages, but shall not mandate a specific assessment  
18 or mode of instruction.

19 “(8) ASSESSMENT DEVELOPMENT.—A State  
20 shall develop and implement the State assessments,  
21 including, at a minimum, mathematics and English  
22 language arts, by the 2002–2003 school year.

23 “(9) REQUIREMENT.—Each State plan shall  
24 describe—

1 “(A) how the State educational agency will  
2 assist each local educational agency and school  
3 affected by the State plan to develop the capac-  
4 ity to comply with each of the requirements of  
5 sections 1114(b), 1115(c), and 1116 that are  
6 applicable to such agency or school;

7 “(B) how the State educational agency  
8 will—

9 “(i) hold each local educational agency  
10 affected by the State plan accountable for  
11 improved student performance, including a  
12 procedure for—

13 “(I) identifying local educational  
14 agencies and schools in need of im-  
15 provement; and

16 “(II) assisting local educational  
17 agencies and schools identified under  
18 subclause (I) to address achievement  
19 problems, including thorough descrip-  
20 tions of the amounts and types of pro-  
21 fessional development to be provided  
22 instructional staff, the amount of any  
23 financial assistance to be provided by  
24 the State under section 1003, and the  
25 amount of any funds to be provided

1 by other sources and the activities to  
2 be provided by those sources; and

3 “(ii) implementing corrective action if  
4 assistance is not effective;

5 “(C) how the State educational agency is  
6 providing low-performing students additional  
7 academic instruction, such as before- and after-  
8 school programs and summer academic pro-  
9 grams;

10 “(D) such other factors the State considers  
11 appropriate to provide students an opportunity  
12 to achieve the knowledge and skills described in  
13 the State’s challenging content standards;

14 “(E) the specific steps the State edu-  
15 cational agency will take or the specific strate-  
16 gies the State educational agency will use to en-  
17 sure that—

18 “(i) all teachers in both schoolwide  
19 programs and targeted assistance pro-  
20 grams are fully qualified not later than  
21 December 31, 2005; and

22 “(ii) low-income students and minor-  
23 ity students are not taught at higher rates  
24 than other students by inexperienced,  
25 uncertified, or out-of-field teachers; and

1           “(F) the measures the State educational  
2           agency will use to evaluate and publicly report  
3           the State’s progress in improving the quality of  
4           instruction in the schools served by the State  
5           educational agency and local educational agen-  
6           cies receiving funding under this Act.

7           “(c) OTHER PROVISIONS TO SUPPORT TEACHING  
8   AND LEARNING.—Each State plan shall contain assur-  
9   ances that—

10           “(1) the State educational agency will work  
11          with other agencies, including educational service  
12          agencies or other local consortia and institutions to  
13          provide technical assistance to local educational  
14          agencies and elementary schools and secondary  
15          schools to carry out the State educational agency’s  
16          responsibilities under this part, including technical  
17          assistance in providing professional development  
18          under section 1119(A) and technical assistance  
19          under section 1117; and

20           “(2)(A) where educational service agencies  
21          exist, the State educational agency will consider pro-  
22          viding professional development and technical assist-  
23          ance through such agencies; and

24           “(B) where educational service agencies do not  
25          exist, the State educational agency will consider pro-



1       viding professional development and technical assist-  
2       ance through other cooperative agreements, such as  
3       through a consortium of local educational agencies;

4           “(3) the State educational agency will use the  
5       disaggregated results of the student assessments re-  
6       quired under subsection (b)(4), and other measures  
7       or indicators available to the State, to review annu-  
8       ally the progress of each local educational agency  
9       and school served under this part to determine  
10      whether each such agency and school is making the  
11      annual progress necessary to ensure that all stu-  
12      dents will meet the proficient level of performance  
13      on the assessments described in subsection (b)(4)  
14      within 10 years of the date of enactment of the Pub-  
15      lic Education Reinvestment, Reinvention, and Re-  
16      sponsibility Act (Three R’s);

17           “(4) the State educational agency will provide  
18      the least restrictive and burdensome regulations for  
19      local educational agencies and individual elementary  
20      schools and secondary schools participating in a pro-  
21      gram assisted under this part;

22           “(5) the State educational agency will regularly  
23      inform the Secretary and the public in the State of  
24      how Federal laws, if any, hinder the ability of States

1 to hold local educational agencies and schools ac-  
2 countable for student academic performance;

3 “(6) the State educational agency will encour-  
4 age elementary schools and secondary schools to  
5 consolidate funds from other Federal, State, and  
6 local sources for schoolwide reform in schoolwide  
7 programs under section 1114;

8 “(7) the State educational agency will modify or  
9 eliminate State fiscal and accounting barriers so  
10 that elementary schools and secondary schools can  
11 easily consolidate funds from other Federal, State,  
12 and local sources for schoolwide programs under sec-  
13 tion 1114;

14 “(8) the State educational agency has involved  
15 the committee of practitioners established under sec-  
16 tion 1703(b) (as redesignated by section 161(2)) in  
17 developing and monitoring the implementation of the  
18 State plan; and

19 “(9) the State educational agency will inform  
20 local educational agencies of the local educational  
21 agency’s authority to obtain waivers under title VIII  
22 and, if the State is an Ed-Flex Partnership State,  
23 waivers under the Education Flexibility Partnership  
24 Act of 1999.

1       “(d) PEER REVIEW AND SECRETARIAL APPROVAL.—

2       The Secretary shall—

3               “(1) establish a peer review process to assist in  
4       the review of State plans;

5               “(2) only approve a State plan meeting each of  
6       the requirements of this section;

7               “(3) if the Secretary determines that the State  
8       plan does not meet each of the requirements of sub-  
9       section (a), (b), or (c), immediately notify the State  
10      of such determination and the reasons for such de-  
11      termination;

12              “(4) not disapprove a State plan before—

13                      “(A) notifying the State educational agen-  
14                      cy in writing of the specific deficiencies of the  
15                      State plan;

16                      “(B) offering the State an opportunity to  
17                      revise the State plan;

18                      “(C) providing technical assistance in  
19                      order to assist the State to meet the require-  
20                      ments under subsections (a), (b), and (c); and

21                      “(D) providing a hearing;

22               “(5) have the authority to disapprove a State  
23       plan for not meeting the requirements of this sec-  
24       tion, but shall not have the authority to require a  
25       State, as a condition of approval of the State plan,

1 to include in, or delete from, such plan 1 or more  
2 specific elements of the challenging State content  
3 standards or to use specific assessment instruments  
4 or items; and

5 “(6) require a State to submit a revised State  
6 plan that meets the requirements of this section to  
7 the Secretary for approval not later than 1 year  
8 after the date of enactment of the Public Education  
9 Reinvestment, Reinvention, and Responsibility Act  
10 (Three R’s).

11 “(e) DURATION OF THE PLAN.—

12 “(1) IN GENERAL.—Each State plan shall—

13 “(A) remain in effect for the duration of  
14 the State’s participation under this part; and

15 “(B) be periodically reviewed and revised  
16 by the State, as necessary, to reflect changes in  
17 the State’s strategies and programs under this  
18 part.

19 “(2) ADDITIONAL INFORMATION.—If the State  
20 makes significant changes in its State plan, such as  
21 the adoption of new challenging State content stand-  
22 ards and State student performance standards, new  
23 assessments, or a new definition of adequate yearly  
24 progress, the State shall submit such information to  
25 the Secretary.

1       “(f) LIMITATION ON CONDITIONS.—Nothing in this  
2 part shall be construed to authorize an officer or employee  
3 of the Federal Government to mandate, direct, or control  
4 a State’s, local educational agency’s, or elementary  
5 school’s or secondary school’s specific challenging content  
6 or student performance standards, assessments, curricula,  
7 or program of instruction, as a condition of eligibility to  
8 receive funds under this part.

9       “(g) PENALTIES.—

10           “(1) IN GENERAL.—If a State fails to meet the  
11 statutory deadlines for demonstrating that the State  
12 has in place challenging content standards and stu-  
13 dent performance standards, assessments, a system  
14 for measuring and monitoring adequate yearly  
15 progress, and a statewide system for holding schools  
16 and local educational agencies accountable for mak-  
17 ing adequate yearly progress with each group of stu-  
18 dents specified in subsection (b)(2)(B)(iv), the State  
19 shall be ineligible to receive any administrative funds  
20 under section 1703(c) that exceed the amount re-  
21 ceived by the State for such purposes in the previous  
22 year.

23           “(2) ADDITIONAL FUNDS.—Based on the extent  
24 to which challenging content standards and student  
25 performance standards, assessments, systems for

1 measuring and monitoring adequate yearly progress,  
2 and a statewide system for holding schools and local  
3 educational agencies accountable for making ade-  
4 quate yearly progress with each group of students  
5 specified in subsection (b)(2)(B)(iv), are not in  
6 place, the Secretary shall withhold additional admin-  
7 istrative funds in such amount as the Secretary de-  
8 termines appropriate, except that for each additional  
9 year that the State fails to comply with such re-  
10 quirements, the Secretary shall withhold not less  
11 than  $\frac{1}{5}$  of the amount the State receives for admin-  
12 istrative expenses under section 1703(c).

13 “(3) WAIVER.—

14 “(A) IN GENERAL.—Except as provided in  
15 subparagraph (B), notwithstanding part D of  
16 title VIII, the Education Flexibility Partnership  
17 Act of 1999, or any other provision of law, a  
18 waiver of this section shall not be granted, ex-  
19 cept that a State may request a 1-time, 1-year  
20 waiver to meet the requirements of this section.

21 “(B) EXCEPTION.—A waiver granted pur-  
22 suant to subparagraph (A) shall not apply to  
23 the requirements described under subsection  
24 (h).

1       “(h) SPECIAL RULE ON SCIENCE STANDARDS AND  
 2 ASSESSMENTS.—Notwithstanding subsection (b) and part  
 3 D of title IV, no State shall be required to meet the re-  
 4 quirements under this title relating to science standards  
 5 or assessments until the beginning of the 2006–2007  
 6 school year.”.

7 **SEC. 106. LOCAL EDUCATIONAL AGENCY PLANS.**

8       (a) SUBGRANTS.—Section 1112(a)(1) (20 U.S.C.  
 9 6312(a)(1)) is amended by striking “” and all that follows  
 10 and inserting “the Individuals with Disabilities Education  
 11 Act, the Carl D. Perkins Vocational and Technical Edu-  
 12 cation Act of 1998, the Head Start Act, and other Acts,  
 13 as appropriate.”.

14       (b) PLAN PROVISIONS.—Section 1112(b) (20 U.S.C.  
 15 6312(b)) is amended—

16           (1) by striking “Each” and inserting “In order  
 17 to help low-achieving children achieve high stand-  
 18 ards, each”;

19           (2) in paragraph (1)—

20               (A) by striking “part” each place it ap-  
 21 pears and inserting “title”; and

22               (B) in subparagraph (B), by inserting  
 23 “low-achieving” before “children”;

24           (3) in paragraph (4)—

25               (A) in subparagraph (A)—

1 (i) by striking “program,” and insert-  
2 ing “programs and”; and

3 (ii) by striking “, and school-to-work  
4 transition programs”; and

5 (B) in subparagraph (B), by striking  
6 “under part C” and all that follows through  
7 “dropping out” and inserting “under part C,  
8 neglected or delinquent youth,”;

9 (4) in paragraph (7), by striking “eligible”;

10 (5) in paragraph (9), by striking the period and  
11 inserting a semicolon; and

12 (6) by adding at the end the following new  
13 paragraphs:

14 “(10) a description of the actions the local edu-  
15 cational agency will take to assist the low-per-  
16 forming schools served by the local educational agen-  
17 cy, including schools identified under section 1116  
18 as in need of improvement; and

19 “(11) a description of how the local educational  
20 agency will promote the use of alternative instruc-  
21 tional methods, and extended learning time, such as  
22 an extended school year, before- and after-school  
23 programs, and summer programs.”.

24 (c) ASSURANCES.—Section 1112(c) (20 U.S.C.  
25 6312(c)) is amended to read as follows:



1 “(c) ASSURANCES.—

2 “(1) IN GENERAL.—Each local educational  
3 agency plan shall provide assurances that the local  
4 educational agency will—

5 “(A) specify the steps the local educational  
6 agency will take to ensure that all teachers in  
7 both schoolwide programs and targeted assist-  
8 ance are fully qualified not later than December  
9 31, 2005, and the strategies the local edu-  
10 cational agency will use to ensure that low-in-  
11 come students and minority students are not  
12 taught at higher rates than other children by  
13 inexperienced, uncertified, or out-of-field teach-  
14 ers, and the measures the agency will use to  
15 evaluate and publicly report progress in improv-  
16 ing the quality of instruction in schools served  
17 by the local educational agency and receiving  
18 funding under this Act;

19 “(B) provide eligible schools and parents  
20 with information regarding schoolwide project  
21 authority and the ability of such schools to con-  
22 solidate funds from Federal, State, and local  
23 sources;

24 “(C) provide technical assistance and sup-  
25 port to schoolwide programs;

1           “(D) work in consultation with schools as  
2           the schools develop a school plan pursuant to  
3           section 1114(b)(2), and assist schools in imple-  
4           menting such plans or undertaking activities  
5           pursuant to section 1115(c), so that each school  
6           can make adequate yearly progress toward  
7           meeting the challenging State student perform-  
8           ance standards;

9           “(E) use the disaggregated results of the  
10          student assessments required under section  
11          1111(b)(4), and other measures or indicators  
12          available to the agency, to review annually the  
13          progress of each school served by the agency  
14          and receiving funds under this title to deter-  
15          mine whether or not all schools are making the  
16          annual progress necessary to ensure that all  
17          students will meet the proficient level of per-  
18          formance on the assessments described in sec-  
19          tion 1111(b)(4) within 10 years of the date of  
20          enactment of the Public Education Reinvest-  
21          ment, Reinvention, and Responsibility Act;

22          “(F) set and hold schools served by the  
23          local educational agency accountable for meet-  
24          ing annual numerical goals for improving the  
25          performance of all groups of students based on

1 the performance standards set by the State  
2 under section 1111(b)(1)(D)(ii);

3 “(G) fulfill the local educational agency’s  
4 school improvement responsibilities under sec-  
5 tion 1116, including taking corrective actions  
6 under section 1116(c)(9);

7 “(H) provide the State educational agency  
8 with—

9 “(i) an annual, up-to-date, and accu-  
10 rate list of all schools served by the local  
11 educational agency that are eligible for  
12 school improvement and corrective action;

13 “(ii) the reasons why each school de-  
14 scribed in clause (i) was identified for  
15 school improvement or corrective action;  
16 and

17 “(iii) the specific plans for improving  
18 student performance in each of the schools  
19 described in clause (i), including the spe-  
20 cific numerical achievement goals for the  
21 succeeding 2 school years, for each group  
22 of students specified in section  
23 1111(b)(2)(B)(iv) enrolled in each such  
24 school;

1           “(I) provide services to eligible children at-  
2           tending private elementary schools and sec-  
3           ondary schools in accordance with section 1120,  
4           and provide timely and meaningful consultation  
5           with private school officials regarding such serv-  
6           ices;

7           “(J) take into account the experience of  
8           model programs for the educationally disadvan-  
9           taged and the findings of relevant scientifically  
10          based research when developing technical assist-  
11          ance plans for, and delivering technical assist-  
12          ance to, schools served by the local educational  
13          agency that are receiving funds under this part  
14          and are in school improvement or corrective ac-  
15          tion;

16          “(K) in the case of a local educational  
17          agency that chooses to use funds under this  
18          part to provide early childhood development  
19          services to low-income children below the age of  
20          compulsory school attendance, ensure that such  
21          services comply with the performance standards  
22          established under section 641A(a) of the Head  
23          Start Act;

1           “(L) comply with the requirements of sec-  
2           tion 1119 regarding the qualifications of teach-  
3           ers and paraprofessionals;

4           “(M) inform eligible schools served by the  
5           local educational agency of the agency’s author-  
6           ity to obtain waivers on such school’s behalf  
7           under title VIII, and if the State is an Ed-Flex  
8           Partnership State, under the Education Flexi-  
9           bility Partnership Act of 1999; and

10          “(N) coordinate and collaborate, to the ex-  
11          tent feasible and necessary as determined by  
12          the local educational agency, with other agen-  
13          cies providing services to children, youth, and  
14          their families.

15          “(2) MODEL PROGRAMS; SCIENTIFICALLY  
16          BASED RESEARCH.—In carrying out paragraph  
17          (1)(K)—

18               “(A) the Secretary shall consult with the  
19               Secretary of Health and Human Services on the  
20               implementation of such subparagraph, and shall  
21               establish procedures (taking into consideration  
22               existing State and local laws and local teacher  
23               contracts) to assist local educational agencies to  
24               comply with such subparagraph;

1           “(B) the Secretary shall disseminate to  
 2           local educational agencies the Head Start per-  
 3           formance standards under section 641A(a) of  
 4           the Head Start Act upon such standard’s publi-  
 5           cation; and

6           “(C) local educational agencies affected by  
 7           such subparagraph shall plan for the implemen-  
 8           tation of such subparagraph (taking into con-  
 9           sideration existing State and local laws, and  
 10          local teacher contracts), including pursuing the  
 11          availability of other Federal, State, and local  
 12          funding sources to assist in compliance with  
 13          such subparagraph.

14          “(3) INAPPLICABILITY.—The provisions of this  
 15          subsection shall not apply to preschool programs  
 16          using the Even Start model or to Even Start pro-  
 17          grams.”.

18          (d) PLAN DEVELOPMENT AND DURATION.—Section  
 19          1112(d) (20 U.S.C. 6312(d)) is amended to read as fol-  
 20          lows:

21          “(d) PLAN DEVELOPMENT AND DURATION.—

22               “(1) CONSULTATION.—Each local educational  
 23          agency plan shall be developed in consultation with  
 24          teachers, principals, local school boards, administra-  
 25          tors (including administrators of programs described

1 in other parts of this title), other appropriate school  
2 personnel, and parents of children in elementary  
3 schools and secondary schools served under this  
4 part.

5 “(2) DURATION.—Each plan described in para-  
6 graph (1) shall remain in effect for the duration of  
7 the local educational agency’s participation under  
8 this part.

9 “(3) REVIEW.—Each local educational agency  
10 shall periodically review, and as necessary, revise its  
11 plan.”.

12 (e) STATE APPROVAL.—Section 1112(e) (20 U.S.C.  
13 6312(e)) is amended to read as follows:

14 “(e) PEER REVIEW AND STATE APPROVAL.—

15 “(1) IN GENERAL.—Each local educational  
16 agency plan shall be filed according to a schedule es-  
17 tablished by the State educational agency.

18 “(2) APPROVAL.—The State educational agency  
19 shall establish a peer review process to assist in the  
20 review of local educational agency plans. The State  
21 educational agency shall approve a local educational  
22 agency plan only if the State educational agency de-  
23 termines that the local educational agency plan—

24 “(A) will enable elementary schools and  
25 secondary schools served by the local edu-

1           cational agency and under this part to help all  
2           groups of students specified in section  
3           1111(b)(1) meet or exceed the proficient level  
4           of performance on the assessments required  
5           under section 1111(b)(4) within 10 years of the  
6           date of enactment of the Public Education Re-  
7           investment, Reinvention, and Responsibility Act  
8           (Three R's); and

9           “(B) meets each of the requirements of  
10          this section.

11          “(3) STATE REVIEW.—Each State educational  
12          agency shall at least annually review each local agen-  
13          cy plan approved under this subsection against the  
14          results of the disaggregated assessments required  
15          under section 1111(b)(4) for each local educational  
16          agency to ensure that the progress of all students in  
17          schools served by each local educational agency  
18          under this part is adequate to ensure that all stu-  
19          dents in the State will meet or exceed the proficient  
20          standard level of performance on assessments within  
21          10 years of the date of enactment of the Public Edu-  
22          cation Reinvestment, Reinvention, and Responsibility  
23          Act (Three R's).



1           “(4) PUBLIC REVIEW.—Each State educational  
2           agency will make publicly available each local edu-  
3           cational agency plan.”.

4           (f) PARENTAL NOTIFICATION FOR ENGLISH LAN-  
5           GUAGE INSTRUCTION.—Section 1112 (20 U.S.C. 6312) is  
6           amended by adding at the end the following:

7           “(g) PARENTAL NOTIFICATION FOR ENGLISH LAN-  
8           GUAGE INSTRUCTION.—

9           “(1) NOTIFICATION.—If a local educational  
10          agency uses funds under this part to provide English  
11          language instruction to limited English proficient  
12          students, the local educational agency shall inform a  
13          parent or the parents of a child participating in an  
14          English language assistance educational program as-  
15          sisted under this part of—

16               “(A) the reasons for the identification of  
17               the child as being in need of English language  
18               instruction;

19               “(B) the child’s level of English pro-  
20               ficiency, how such level was assessed, and the  
21               status of the child’s academic achievement;

22               “(C) how the English language assistance  
23               educational program will specifically help the  
24               child learn English and meet age-appropriate  
25               standards for grade promotion and graduation;

1           “(D) the specific exit requirements of the  
2 English language assistance educational pro-  
3 gram;

4           “(E) the expected rate of graduation from  
5 the English language assistance educational  
6 program into mainstream classes; and

7           “(F) the expected rate of graduation from  
8 secondary school if funds under this part are  
9 used for children in secondary schools.

10       “(2) PARENTAL RIGHTS.—

11           “(A) IN GENERAL.—A parent or the par-  
12 ents of a child participating in an English lan-  
13 guage assistance educational program under  
14 this part shall—

15           “(i) have the option of selecting  
16 among methods of instruction, if more  
17 than one method is offered in the program;  
18 and

19           “(ii) have the right to have their child  
20 immediately removed from the program  
21 upon their request.

22           “(B) RECEIPT OF INFORMATION.—A par-  
23 ent or the parents of a child identified for par-  
24 ticipation in an English language assistance  
25 educational program under this part shall re-

ceive, in a manner and form understandable to the parent or parents, the information required by this subsection. At a minimum, the parent or parents shall receive—

“(i) timely information about English language assistance educational programs for limited English proficient children assisted under this part; and

“(ii) if a parent of a participating child so desires, notice of opportunities for regular meetings of parents of limited English proficient children participating in English language assistance educational programs under this part for the purpose of formulating and responding to recommendations from such parents.

“(3) BASIS FOR ADMISSION OR EXCLUSION.—

No student shall be admitted to or excluded from any federally assisted education program solely on the basis of a surname or language minority status.”.

## **SEC. 107. SCHOOLWIDE PROGRAMS.**

(a) USE OF FUNDS FOR SCHOOLWIDE PROGRAMS.—

Section 1114(a) (20 U.S.C. 6314(a)) is amended—

1           (1) in paragraph (1), by striking “school de-  
 2           scribed in subparagraph (A)” and all that follows  
 3           through “such families.” the second place it appears  
 4           and inserting “school that serves an eligible school  
 5           attendance area in which—

6                     “(A) not less than 40 percent of the chil-  
 7           dren are from low-income families; or

8                     “(B) not less than 40 percent of the chil-  
 9           dren enrolled in the school are from such fami-  
 10          lies.”; and

11          (2) in paragraph (2)—

12                     (A) in subparagraph (A), by striking “sub-  
 13           sections (c)(1) and (e) of”; and

14                     (B) in subparagraph (B), by striking “sub-  
 15           sections (c)(1) and (e) of”.

16          (b) COMPONENTS OF A SCHOOLWIDE PROGRAM.—

17          Section 1114(b) (20 U.S.C. 6314(b)) is amended—

18                     (1) in paragraph (1)—

19                     (A) in subparagraph (A), by striking “sec-  
 20           tion 1111(b)(1)” and inserting “section  
 21           1111(b)”;

22                     (B) in subparagraph (B)—

23                     (i) in clause (i), by striking “section  
 24           1111(b)(1)(D)” and inserting “1111(b)”;

- 1 (ii) in clause (iii)(II), by inserting  
2 “and” after the semicolon;  
3 (iii) in clause (iv)(II), by striking “;  
4 and” and inserting a period; and  
5 (iv) by striking clause (vii); and  
6 (C) in subparagraph (G), by striking “sec-  
7 tion 1112(b)(1)” and inserting “section 1112”;  
8 and  
9 (2) in paragraph (2)—  
10 (A) in subparagraph (A)—  
11 (i) by striking “Improving America’s  
12 Schools Act of 1994” and inserting “Pub-  
13 lic Education Reinvestment, Reinvention,  
14 and Responsibility Act (Three R’s)”;  
15 (ii) by striking “subsections (c)(1)  
16 and (e) of”; and  
17 (iii) in clause (iv), by striking “section  
18 1111(b)(3)” and inserting “section  
19 1111(b)(4)”;  
20 (B) in subparagraph (B), by striking  
21 “paragraphs (1) and (3) of section 1111(b)”  
22 and inserting “paragraphs (1) and (4) of sec-  
23 tion 1111(b)”;  
24 (C) in subparagraph (C)(i)—

- 1 (i) in subclause (I), by striking “sub-  
2 sections (c) and (e) of”; and  
3 (ii) in subclause (II), by striking “Im-  
4 proving America’s Schools Act of 1994”  
5 and inserting “Public Education Reinvest-  
6 ment, Reinvention, and Responsibility Act  
7 (Three R’s)”.

8 **SEC. 108. SCHOOL CHOICE.**

9 Section 1115A (20 U.S.C. 6316) is amended to read  
10 as follows:

11 **“SEC. 1115A. SCHOOL CHOICE.**

12 “(a) CHOICE PROGRAMS.—A local educational agen-  
13 cy may use funds under this part, in combination with  
14 State, local, and private funds, to develop and implement  
15 public school choice programs, for children eligible for as-  
16 sistance under this part, that permit parents to select the  
17 public school that their child will attend and are consistent  
18 with State and local law, policy, and practice related to  
19 public school choice and local pupil transfer.

20 “(b) CHOICE PLAN.—A local educational agency that  
21 chooses to implement a public school choice program  
22 under this section shall first develop a plan that—

23 “(1) contains an assurance that all eligible stu-  
24 dents across grade levels served under this part will  
25 have equal access to the program;

1           “(2) contains an assurance that the program  
2           does not include elementary schools or secondary  
3           schools that follow a racially discriminatory policy;

4           “(3) describes how elementary schools or sec-  
5           ondary schools will use resources under this part,  
6           and from other sources, to implement the plan;

7           “(4) contains an assurance that the plan will be  
8           developed with the involvement of parents and others  
9           in the community to be served, and individuals who  
10          will carry out the plan, including administrators,  
11          teachers, principals, and other staff;

12          “(5) contains an assurance that parents of eli-  
13          gible students served by the local educational agency  
14          will be given prompt notice of the existence of the  
15          public school choice program, the program’s avail-  
16          ability to such parents, and a clear explanation of  
17          how the program will operate;

18          “(6) contains an assurance that the public  
19          school choice program—

20                 “(A) shall include charter schools and any  
21                 other public elementary school and secondary  
22                 school; and

23                 “(B) shall not include as a ‘receiving  
24                 school’ an elementary school or a secondary  
25                 school that—

1                   “(i) is or has been identified as a  
2                   school in, or eligible for, school improve-  
3                   ment or corrective action;

4                   “(ii) has been in school improvement  
5                   or corrective action within the last 2 con-  
6                   secutive academic years; or

7                   “(iii) is at risk of being eligible for  
8                   school improvement within the next school  
9                   year;

10                  “(7) contains an assurance that transportation  
11                  services or the costs of transportation to and from  
12                  the public school choice program—

13                         “(A) may be provided by the local edu-  
14                         cational agency with funds under this part and  
15                         from other sources; and

16                         “(B) shall not be provided from funds  
17                         made available under this part to the local edu-  
18                         cational agency that exceed 10 percent of such  
19                         funds; and

20                  “(8) contains an assurance that such local edu-  
21                  cational agency will comply with the other require-  
22                  ments of this part.”.



1 **SEC. 109. ASSESSMENT AND LOCAL EDUCATIONAL AGENCY**  
2 **AND SCHOOL IMPROVEMENT.**

3 (a) LOCAL REVIEW.—Section 1116(a) (20 U.S.C.  
4 6317(a)) is amended—

5 (1) in paragraph (2), by striking  
6 “1111(b)(2)(A)(i)” and inserting “1111(b)(2)(B)”;

7 (2) in paragraph (3)—

8 (A) by striking “individual school perform-  
9 ance profiles” and inserting “school report  
10 cards”;

11 (B) by striking “1111(b)(3)(I)” and in-  
12 serting “1111(b)(4)(I)”;

13 (C) by striking “and” after the semicolon;

14 (3) in paragraph (4), by striking the period and  
15 inserting “; and”;

16 (4) by adding at the end the following:

17 “(5) review the effectiveness of the actions and  
18 activities the schools are carrying out under this  
19 part with respect to parental involvement assisted  
20 under this Act.”.

21 (b) SCHOOL IMPROVEMENT.—Section 1116(c) (20  
22 U.S.C. 6317(c)) is amended to read as follows:

23 “(c) SCHOOL IMPROVEMENT.—

24 “(1) IN GENERAL.—A local educational agency  
25 shall identify for school improvement any elementary

1 school or secondary school served under this part  
2 that—

3 “(A) for 2 consecutive years failed to make  
4 adequate yearly progress as defined in the  
5 State’s plan under section 1111(b)(2); or

6 “(B) was in, or was eligible for, school im-  
7 provement status under this section on the day  
8 preceding the date of the enactment of the Pub-  
9 lic Education Reinvestment, Reinvention, and  
10 Responsibility Act (Three R’s).

11 “(2) TRANSITION.—The 2-year period described  
12 in paragraph (1)(A) shall include any continuous pe-  
13 riod of time immediately preceding the date of the  
14 enactment of the Public Education Reinvestment,  
15 Reinvention, and Responsibility Act (Three R’s) dur-  
16 ing which an elementary school or a secondary  
17 school did not make adequate yearly progress as de-  
18 fined in the State’s plan, as such plan was in effect  
19 on the day preceding the date of enactment of the  
20 Public Education Reinvestment, Reinvention and  
21 Responsibility Act (Three R’s).

22 “(3) TARGETED ASSISTANCE SCHOOLS.—To de-  
23 termine if an elementary school or a secondary  
24 school that is conducting a targeted assistance pro-  
25 gram under section 1115 should be identified as in

1        need of improvement under this subsection, a local  
2        educational agency may choose to review the  
3        progress of only those students in such school who  
4        are served, or are eligible for services, under this  
5        part.

6            “(4) OPPORTUNITY TO REVIEW AND PRESENT  
7        EVIDENCE.—(A) Before identifying an elementary  
8        school or a secondary school for school improvement  
9        under paragraph (1), the local educational agency  
10       shall provide the school with an opportunity to re-  
11       view the school level data, including assessment  
12       data, on which the proposed identification is based.

13           “(B) If the principal of a school proposed for  
14       identification as in need of school improvement be-  
15       lieves that the proposed identification is in error for  
16       statistical or other substantive reasons, the principal  
17       may provide supporting evidence to the local edu-  
18       cational agency, which the agency shall consider be-  
19       fore making a final determination.

20           “(5) TIME LIMITS.—Not later than 30 days  
21       after a local educational agency makes its initial de-  
22       termination that a school served by the agency and  
23       receiving assistance under this part is eligible for  
24       school improvement, the local educational agency

1 shall make public a final determination on the status  
2 of the school.

3 “(6) NOTIFICATION TO PARENTS.—A local edu-  
4 cational agency shall, in an easily understandable  
5 format, and in the 3 languages, other than English,  
6 spoken by the greatest number of individuals in the  
7 area served by the local educational agency, provide  
8 in writing to parents of each student in an elemen-  
9 tary school or a secondary school identified for  
10 school improvement—

11 “(A) an explanation of what the school im-  
12 provement identification means, and how the  
13 school identified for improvement compares in  
14 terms of academic performance to other elemen-  
15 tary schools or secondary schools served by the  
16 local educational agency and the State edu-  
17 cational agency;

18 “(B) the reasons for such identification;

19 “(C) the data on which such identification  
20 was based;

21 “(D) an explanation of what the school  
22 identified for improvement is doing to address  
23 the problem of low achievement;

24 “(E) an explanation of what the local edu-  
25 cational agency or State educational agency is

1 doing to help the school address its achievement  
2 problems, including the amounts and types of  
3 professional development being provided to the  
4 instructional staff in such school, the amount of  
5 any financial assistance being provided by the  
6 State educational agency under section 1003,  
7 and the activities that are being provided with  
8 such financial assistance;

9 “(F) an explanation of how parents de-  
10 scribed in this paragraph can become involved  
11 in addressing the academic issues that caused  
12 the school to be identified as in need of im-  
13 provement; and

14 “(G) an explanation of the right of par-  
15 ents, pursuant to paragraph (7), to transfer  
16 their child to a higher performing public school,  
17 including a public charter school or magnet  
18 school, that is not in school improvement, and  
19 how such transfer shall operate.

20 “(7) PUBLIC SCHOOL CHOICE OPTION.—

21 “(A) SCHOOLS IN IMPROVEMENT.—

22 “(i) SCHOOLS IN IMPROVEMENT ON  
23 OR BEFORE DATE OF ENACTMENT.—In the  
24 case of a school identified for improvement  
25 on or before the date of enactment of the

1 Public Education Reinvestment, Reinven-  
2 tion, and Responsibility Act (Three R's), a  
3 local educational agency shall not later  
4 than 18 months after such date of enact-  
5 ment provide all students enrolled in the  
6 school an option to transfer (consistent  
7 with State and local law, policy, and prac-  
8 tices related to public school choice and  
9 local pupil transfer) to any other higher  
10 performing public school, including a pub-  
11 lic charter or magnet school, that—

12 “(I) has not been identified for  
13 school improvement or corrective ac-  
14 tion;

15 “(II) is not at risk of being iden-  
16 tified for school improvement or cor-  
17 rective action within the succeeding  
18 academic year; and

19 “(III) has not been in improve-  
20 ment or corrective action at any time  
21 during the 2 preceding academic  
22 years.

23 “(ii) SCHOOLS IDENTIFIED AFTER  
24 DATE OF ENACTMENT.—In the case of a  
25 school identified for improvement after the

1 date of enactment of the Public Education  
2 Reinvestment, Reinvention, and Responsi-  
3 bility Act (Three R's), a local educational  
4 agency shall not later than 12 months  
5 after the date on which a local educational  
6 agency identifies the school for improve-  
7 ment provide all students enrolled in the  
8 school with the transfer option described in  
9 clause (i).

10 “(B) COOPERATIVE AGREEMENT.—If all  
11 public schools served by the local educational  
12 agency to which a child may transfer under  
13 clause (i) are identified for improvement, or, if  
14 public schools in the agency’s jurisdiction that  
15 are not in improvement cannot accommodate all  
16 of the students who are eligible to transfer be-  
17 cause of capacity, or State or local law, policy,  
18 and practices related to public school choice and  
19 local pupil transfer, the local educational agency  
20 shall, to the extent practicable, establish a coop-  
21 erative agreement with other local educational  
22 agencies that serve geographic areas in prox-  
23 imity to the geographic area served by the local  
24 educational agency, to enable a child to transfer  
25 (consistent with State and local law, policy, and

1 practices related to public school choice and  
2 local pupil transfer) to a school served by such  
3 other local educational agencies that meets the  
4 requirements described in subparagraph (A)(i).

5 “(C) TRANSPORTATION.—A local edu-  
6 cational agency that serves a school that has  
7 been identified for improvement shall provide  
8 transportation services or the costs of such  
9 services for children of parents who choose to  
10 transfer their children pursuant to this para-  
11 graph to a different school. Not more than 10  
12 percent of the funds allocated to a local edu-  
13 cational agency under this part may be used to  
14 provide such transportation services or costs of  
15 such services.

16 “(D) CONTINUATION OPTION.—Once a  
17 school is no longer identified for improvement  
18 or in corrective action, the local educational  
19 agency shall continue to provide public school  
20 choice as an option to students in such schools  
21 for a period of not less than 2 years.

22 “(8) SCHOOL PLAN.—(A) Each school identified  
23 under paragraph (1) for school improvement shall,  
24 not later than 3 months after being so identified, de-  
25 velop or revise a school plan, in consultation with



1 parents, school staff, the local educational agency  
2 serving the school, the local school board, and other  
3 outside experts, for approval by such local edu-  
4 cational agency. The school plan shall—

5 “(i) incorporate scientifically based re-  
6 search strategies that strengthen the core aca-  
7 demic programs in the school and address the  
8 specific academic issues that caused the school  
9 to be identified for school improvement;

10 “(ii) adopt policies and practices in the  
11 school’s core academic program that have the  
12 greatest likelihood of ensuring that all groups  
13 of students specified in section  
14 1111(b)(2)(B)(iv) enrolled in the school will  
15 meet or exceed the State’s proficient level of  
16 performance on the assessment required in sec-  
17 tion 1111(b)(4) within 10 years of the date of  
18 enactment of the Public Education Reinvest-  
19 ment, Reinvention, and Responsibility Act  
20 (Three R’s);

21 “(iii) assure that the school will reserve  
22 not less than 10 percent of the funds made  
23 available to it under this part for each fiscal  
24 year that the school is in school improvement  
25 for the purpose of providing the school’s teach-

1           ers and principal high quality professional de-  
2           velopment that—

3                   “(I) directly addresses the academic  
4                   achievement problem that caused the  
5                   school to be identified for school improve-  
6                   ment; and

7                   “(II) meets the requirements for pro-  
8                   fessional development activities under sec-  
9                   tion 1119;

10                  “(iv) specify how the funds described in  
11                  clause (iii) will be used to remove the school  
12                  from school improvement status;

13                  “(v) establish specific annual, numerical  
14                  progress goals for each group of students speci-  
15                  fied in section 1111(b)(2)(B)(iv) enrolled in the  
16                  school that will ensure that all such groups of  
17                  students meet or exceed the State’s proficient  
18                  standard level of performance within 10 years  
19                  of the date of enactment of the Public Edu-  
20                  cation Reinvestment, Reinvention, and Respon-  
21                  sibility Act (Three R’s);

22                  “(vi) identify how the school will provide  
23                  written notification to parents of each child en-  
24                  rolled in such school, in a format and, to the

1 extent practicable, in a language such parents  
2 can understand; and

3 “(vii) specify the responsibilities of the  
4 school, the local educational agency, and the  
5 State educational agency serving such school  
6 under the plan.

7 “(B) The local educational agency described in  
8 subparagraph (A)(vi) may condition approval of a  
9 school plan on inclusion of 1 or more of the correc-  
10 tive actions specified in paragraph (10)(C).

11 “(C) A school shall implement the school plan  
12 or revised plan expeditiously, but not later than the  
13 beginning of the school year following the school  
14 year in which the school was identified for improve-  
15 ment.

16 “(D) The local educational agency described in  
17 subparagraph (A)(vi) shall establish a peer review  
18 process to assist with review of a school improve-  
19 ment plan prepared by the school served by the local  
20 educational agency, promptly review the school plan,  
21 work with the school as necessary, and approve the  
22 school plan if the school plan meets the require-  
23 ments of this paragraph.

24 “(9) TECHNICAL ASSISTANCE.—(A) For each  
25 school identified for school improvement under para-

graph (1), the local educational agency serving the school shall provide technical assistance as the school develops and implements its school plan.

“(B) Such technical assistance—

“(i) shall include assistance in analyzing data from the assessments required under section 1111(b)(4), and other samples of student work, to identify and address instructional problems and solutions;

“(ii) shall include assistance in identifying and implementing scientifically based instructional strategies and methods that have proven effective in addressing the specific instructional issues that caused the school to be identified for school improvement;

“(iii) shall include assistance in analyzing and revising the school’s budget such that the school resources are more effectively focused on those activities most likely to increase student achievement and to remove the school from school improvement status;

“(iv) may be provided directly by the local educational agency, through mechanisms authorized under section 1117, or with the local educational agency’s approval, by the State edu-

1 educational agency, an institution of higher edu-  
2 cation in full compliance with all the reporting  
3 provisions of title II of the Higher Education  
4 Act of 1965, a private not-for-profit organiza-  
5 tion or for-profit organization, an educational  
6 service agency, the recipient of a Federal con-  
7 tract or cooperative agreement as described  
8 under section 7005, or other entity with experi-  
9 ence in helping schools improve achievement.

10 “(C) Technical assistance provided under this  
11 section by a local educational agency or an entity  
12 authorized by such agency shall be based upon sci-  
13 entifically based research.

14 “(10) CORRECTIVE ACTION.—In order to help  
15 students served under this part meet challenging  
16 State standards, each local educational agency shall  
17 implement a system of corrective action in accord-  
18 ance with the following:

19 “(A) After providing technical assistance  
20 under paragraph (9) and subject to subpara-  
21 graph (F), the local educational agency—

22 “(i) may take corrective action at any  
23 time with respect to a school served by the  
24 local educational agency that has been  
25 identified under paragraph (1);

1 “(ii) shall take corrective action with  
2 respect to any school served by the local  
3 educational agency that fails to make ade-  
4 quate yearly progress, as defined by the  
5 State under section 1111(b)(2)(B), after  
6 the end of the second year following the  
7 school year in which the school was identi-  
8 fied under paragraph (1); and

9 “(iii) shall continue to provide tech-  
10 nical assistance while instituting any cor-  
11 rective action under clause (i) or (ii).

12 “(B) As used in this paragraph, the term  
13 ‘corrective action’ means action, consistent with  
14 State and local law, that—

15 “(i) substantially and directly re-  
16 sponds to—

17 “(I) the consistent academic fail-  
18 ure of a school that caused the local  
19 educational agency to take such ac-  
20 tion; and

21 “(II) any underlying staffing,  
22 curricula, or other problem in the  
23 school; and

24 “(ii) is designed to increase substan-  
25 tially the likelihood that students enrolled

1 in the school subject to corrective action  
2 will perform at the proficient and advanced  
3 performance levels.

4 “(C) In the case of a school described in  
5 subparagraph (A)(ii), the local educational  
6 agency shall take not less than 1 of the fol-  
7 lowing corrective actions:

8 “(i) Withhold funds from the school.

9 “(ii) Make alternative governance ar-  
10 rangements, including reopening the school  
11 as a public charter school.

12 “(iii) Reconstitute the relevant school  
13 staff.

14 “(iv)(I) Authorize students to transfer  
15 to other higher performing public schools  
16 served by the local educational agency, in-  
17 cluding public charter and magnet schools.

18 “(II) Provide such students transpor-  
19 tation services, or the costs of transpor-  
20 tation, to such schools (except that such  
21 funds used to provide transportation serv-  
22 ices or costs of transportation shall not ex-  
23 ceed 10 percent of the amount authorized  
24 under section 1122(a)(2)).

1                   “(III) Take not less than 1 additional  
2                   action described under this subparagraph.

3                   “(v) Institute and fully implement a  
4                   new curriculum, including appropriate pro-  
5                   fessional development for all relevant staff,  
6                   that is based upon scientifically based re-  
7                   search and offers substantial promise of  
8                   improving educational achievement for low-  
9                   performing students.

10                  “(D) A local educational agency may delay,  
11                  for a period not to exceed 1 year, implementa-  
12                  tion of corrective action only if the failure to  
13                  make adequate yearly progress was justified  
14                  due to exceptional or uncontrollable cir-  
15                  cumstances, such as a natural disaster or a pre-  
16                  cipitous and unforeseen decline in the financial  
17                  resources of the local educational agency or  
18                  school.

19                  “(E) The local educational agency shall  
20                  publish and disseminate to the public and to  
21                  the parents of each student enrolled in a school  
22                  subject to corrective action, in a format and, to  
23                  the extent practicable, in a language that the  
24                  parents can understand, information regarding  
25                  any corrective action the local educational agen-



1           cy takes under this paragraph through such  
2           means as the Internet, the media, and public  
3           agencies.

4           “(F)(i) Before taking corrective action  
5           with respect to any school under this para-  
6           graph, a local educational agency shall provide  
7           the school an opportunity to review the school  
8           level data, including assessment data, on which  
9           the proposed determination is made.

10          “(ii) If the school believes that the pro-  
11          posed determination is in error for statistical or  
12          other substantive reasons, the school principal  
13          may provide supporting evidence to the local  
14          educational agency, which shall consider such  
15          evidence before making a final determination.

16          “(G) TIME LIMITS.—Not later than 30  
17          days after the local educational agency makes  
18          its initial determination that a school served by  
19          the local educational agency and receiving as-  
20          sistance under this part is eligible for corrective  
21          action, the local educational agency shall make  
22          a final and public determination on the status  
23          of the school.

24          “(11) STATE EDUCATIONAL AGENCY RESPON-  
25          SIBILITIES.—If a State educational agency deter-

1 mines that a local educational agency failed to carry  
 2 out its responsibilities under this section, or deter-  
 3 mines that, after 1 year of implementation of the  
 4 corrective action, such action has not resulted in suf-  
 5 ficient progress in increased student performance,  
 6 the State educational agency shall take such action  
 7 as the agency finds necessary, including designating  
 8 a course of corrective action described in paragraph  
 9 (10)(C), consistent with this section, to improve the  
 10 affected schools and to ensure that the local edu-  
 11 cational agency carries out the local educational  
 12 agency's responsibilities under this section.

13 “(12) SPECIAL RULES.—Schools that, for at  
 14 least 2 of the 3 years following identification under  
 15 paragraph (1), make adequate yearly progress to-  
 16 ward meeting the State's proficient and advanced  
 17 levels of performance shall no longer be identified  
 18 for school improvement.”.

19 (c) STATE REVIEW AND LOCAL EDUCATIONAL AGEN-  
 20 CY IMPROVEMENT.—Section 1116(d) (20 U.S.C. 6317(d))  
 21 is amended to read as follows:

22 “(d) STATE REVIEW AND LOCAL EDUCATIONAL  
 23 AGENCY IMPROVEMENT.—

24 “(1) IN GENERAL.—A State educational agency  
 25 shall annually review the progress of each local edu-

1        cational agency within the State receiving funds  
2        under this part to determine whether schools served  
3        by such agencies and receiving assistance under this  
4        part are making adequate yearly progress, as de-  
5        fined in section 1111(b)(2), toward meeting the  
6        State’s student performance standards and to deter-  
7        mine whether each local educational agency is car-  
8        rying out its responsibilities under sections 1116 and  
9        1117.

10        “(2) IDENTIFICATION OF LOCAL EDUCATIONAL  
11        AGENCY FOR IMPROVEMENT.—A State educational  
12        agency shall identify for improvement any local edu-  
13        cational agency that—

14                “(A) for 2 consecutive years fails to make  
15                adequate yearly progress as defined in the  
16                State’s plan under section 1111(b)(2); or

17                “(B) had been identified for, or was eligi-  
18                ble for, improvement under this section as this  
19                section was in effect on the day preceding the  
20                date of enactment of the Public Education Re-  
21                investment, Reinvention, and Responsibility Act  
22                (Three R’s).

23        “(3) TRANSITION.—The 2-year period described  
24        in paragraph (2)(A) shall include any continuous pe-  
25        riod of time immediately preceding the date of the

1 enactment of the Public Education Reinvestment,  
2 Reinvention, and Responsibility Act (Three R's) dur-  
3 ing which a local educational agency did not make  
4 adequate yearly progress as defined in the State's  
5 plan, as such plan was in effect on the day preceding  
6 the date of the enactment of the Public Education  
7 Reinvestment, Reinvention, and Responsibility Act  
8 (Three R's).

9 “(4) TARGETED ASSISTANCE SCHOOLS.—For  
10 purposes of targeted assistance schools within a local  
11 educational agency, a State educational agency may  
12 choose to review the progress of only the students in  
13 such schools who are served under this part.

14 “(5) OPPORTUNITY TO REVIEW AND PRESENT  
15 EVIDENCE.—(A) Before identifying a local edu-  
16 cational agency for improvement under paragraph  
17 (2), a State educational agency shall provide the  
18 local educational agency with an opportunity to re-  
19 view the local educational agency data, including as-  
20 sessment data, on which the proposed identification  
21 is based.

22 “(B) If the local educational agency believes  
23 that the proposed identification is in error for statis-  
24 tical or other substantive reasons, the local edu-  
25 cational agency may provide supporting evidence to

1 the State educational agency, which the State edu-  
2 cational agency shall consider before making a final  
3 determination.

4 “(6) TIME LIMITS.—Not later than 45 days  
5 after the State educational agency makes its initial  
6 determination that a local educational agency within  
7 the State and receiving assistance under this part is  
8 eligible for improvement, the State educational agen-  
9 cy shall make public a final determination on the  
10 status of the local educational agency.

11 “(7) NOTIFICATION TO PARENTS.—The State  
12 educational agency shall promptly notify parents of  
13 each student enrolled in a school served by a local  
14 educational agency identified for improvement, in a  
15 format, and to the extent practicable, in a language  
16 the parents can understand, of the reasons for such  
17 agency’s identification and how parents can partici-  
18 pate in upgrading the quality of the local edu-  
19 cational agency.

20 “(8) LOCAL EDUCATIONAL AGENCY REVI-  
21 SIONS.—

22 “(A) IN GENERAL.—Each local educational  
23 agency identified under paragraph (2) shall, not  
24 later than 3 months after being so identified,  
25 develop or revise a local educational agency

1 plan, in consultation with the local school  
2 board, parents, teachers, school staff, and oth-  
3 ers, for approval by the State educational agen-  
4 cy. Such plan shall—

5 “(i) incorporate scientifically based re-  
6 search strategies that strengthen the core  
7 academic program in the local educational  
8 agency;

9 “(ii) identify specific annual numerical  
10 academic achievement objectives in at least  
11 the areas of mathematics and English lan-  
12 guage arts that the local educational agen-  
13 cy will meet, with such objectives being cal-  
14 culated in a manner such that their  
15 achievement will ensure that each group of  
16 students enrolled in each school served by  
17 the local educational agency will meet or  
18 exceed the proficient standard level of per-  
19 formance in assessments required under  
20 section 1111(b)(4) within 10 years of the  
21 date of enactment of the Public Education  
22 Reinvestment, Reinvention, and Responsi-  
23 bility Act (Three R’s); and

24 “(iii) assure that the local educational  
25 agency will—

1                   “(I) reserve not less than 10 per-  
2                   cent of the funds made available to  
3                   the local educational agency under  
4                   this part for each fiscal year that the  
5                   agency is in improvement for the pur-  
6                   pose of providing high quality profes-  
7                   sional development to teachers and  
8                   principals at schools served by the  
9                   agency and receiving funds under this  
10                  part that directly address the aca-  
11                  demic achievement problem that  
12                  caused the local educational agency to  
13                  be identified for improvement and  
14                  shall be in keeping with the definition  
15                  of professional development provided  
16                  in section 1119; and

17                  “(II) the improvement plan shall  
18                  specify how these funds will be used  
19                  to remove the local educational agency  
20                  from improvement status;

21                  “(iv) identify how the local edu-  
22                  cational agency will provide written notifi-  
23                  cation to parents described in paragraph  
24                  (7) in a format, and to the extent prac-

1            ticable in a language, that the parents can  
2            understand, pursuant to paragraph (7);

3            “(v) specify the responsibilities of the  
4            State educational agency and the local edu-  
5            cational agency under the plan; and

6            “(vi) include a review of the local edu-  
7            cational agency budget to ensure that re-  
8            sources are focused on those activities that  
9            are most likely to improve student achieve-  
10          ment and to remove the agency from im-  
11          provement status.

12          “(B) PEER REVIEW.—The State edu-  
13          cational agency shall establish a peer review  
14          process to assist with the review of the local  
15          educational agency improvement plan, promptly  
16          review the plan, work with the local educational  
17          agency as necessary, and approve the plan if  
18          the plan meets the requirements of this para-  
19          graph.

20          “(C) DEADLINE FOR IMPLEMENTATION.—  
21          The local educational agency shall implement  
22          the local educational agency plan or revised  
23          plan expeditiously, but not later than the begin-  
24          ning of the school year following the school year



1 in which the agency was identified for improve-  
2 ment.

3 “(D) RESOURCES REALLOCATION.—If the  
4 local educational agency budget fails to allocate  
5 resources, consistent with, subparagraph  
6 (A)(iv), the State educational agency may direct  
7 the local educational agency to reallocate re-  
8 sources to more effective activities.

9 “(9) STATE EDUCATIONAL AGENCY RESPONSIBI-  
10 BILITY.—For each local educational agency identi-  
11 fied under paragraph (2), the State educational  
12 agency shall provide technical or other assistance, if  
13 requested, as authorized under section 1117, to bet-  
14 ter enable the local educational agency—

15 “(A) to develop and implement the local  
16 educational agency plan or revised plan as ap-  
17 proved by the State educational agency con-  
18 sistent with the requirements of this section;  
19 and

20 “(B) to work with schools served by the  
21 local educational agency that are identified for  
22 improvement.

23 “(10) TECHNICAL ASSISTANCE.—Technical as-  
24 sistance provided by the State educational agency—

1           “(A) shall include assistance in analyzing  
2           data from the assessments required under sec-  
3           tion 1111(b)(4) to identify and address instruc-  
4           tional problems and solutions;

5           “(B) shall include assistance in identifying  
6           and implementing scientifically based instruc-  
7           tional strategies and methods that have proven  
8           effective in addressing the specific instructional  
9           issues that caused the local educational agency  
10          to be identified for improvement;

11          “(C) shall include assistance in analyzing  
12          and revising the local educational agency’s  
13          budget such that the agency’s resources are  
14          more effectively focused on those activities most  
15          likely to increase student achievement and to  
16          remove the agency from improvement status;  
17          and

18          “(D) may be provided by—

19                  “(i) the State educational agency; or

20                  “(ii) with the local educational agen-  
21                  cy’s approval, by an institution of higher  
22                  education (in full compliance with all the  
23                  reporting provisions of title II of the High-  
24                  er Education Act of 1965), a private not-  
25                  for-profit or for-profit organization, an

1 educational service agency, the recipient of  
2 a Federal contract or cooperative agree-  
3 ment as described under section 7005, or  
4 any other entity with experience in helping  
5 schools improve achievement.

6 “(11) RESOURCES REALLOCATION.—The State  
7 educational agency may, as a condition of providing  
8 the local educational agency with technical assist-  
9 ance and financial support in developing and car-  
10 rying out an improvement plan, require that the  
11 local educational agency reallocate resources away  
12 from ineffective or inefficient activities to activities  
13 that, through scientific research, have proven to  
14 have the greatest impact on increasing student  
15 achievement and closing the achievement gap be-  
16 tween groups of students.

17 “(12) CORRECTIVE ACTION.—In order to help  
18 students served under this part meet challenging  
19 State standards, each State educational agency shall  
20 implement a system of corrective action in accord-  
21 ance with the following:

22 “(A) After providing technical assistance  
23 under paragraph (10), and subject to subpara-  
24 graph (D), the State educational agency—

1 “(i) shall take corrective action with  
2 respect to any local educational agency  
3 that fails to make adequate yearly  
4 progress, as defined by the State, after the  
5 end of the second year following its identi-  
6 fication under paragraph (2); and

7 “(ii) shall continue to provide tech-  
8 nical assistance while instituting any cor-  
9 rective action under clause (i) or (ii).

10 “(B) As used in this paragraph, the term  
11 ‘corrective action’ means action, consistent with  
12 State law, that—

13 “(i) substantially and directly re-  
14 sponds to—

15 “(I) the consistent academic fail-  
16 ure of schools served by a local edu-  
17 cational agency that caused the State  
18 educational agency to take such action  
19 with respect to the local educational  
20 agency; and

21 “(II) any underlying staffing,  
22 curricular, or other problem in the  
23 schools served by the local educational  
24 agency; and

1           “(ii) is designed to meet the goal of  
2           having all students served under this part  
3           perform at the proficient and advanced  
4           performance levels.

5           “(C) In the case of a local educational  
6           agency described in subparagraph (A)(ii), the  
7           State educational agency shall take not less  
8           than 1 of the following corrective actions:

9                   “(i) Withhold funds from the local  
10                  educational agency.

11                  “(ii) Reconstitute the relevant local  
12                  educational agency personnel.

13                  “(iii) Remove particular schools from  
14                  the area served by the local educational  
15                  agency, and establish alternative arrange-  
16                  ments for public governance and super-  
17                  vision of such schools.

18                  “(iv) Appoint, through the State edu-  
19                  cational agency, a receiver or trustee to ad-  
20                  minister the affairs of the local educational  
21                  agency in place of the local educational  
22                  agency’s superintendent and school board.

23                  “(v) Abolish or restructure the local  
24                  educational agency.

1                   “(vi)(I) Authorize students to transfer  
2                   from a school operated by the local edu-  
3                   cational agency to a higher performing  
4                   public school, including a public charter or  
5                   magnet school, operated by another local  
6                   educational agency.

7                   “(II) Provide students described in  
8                   subclause (I) transportation services, or  
9                   the costs of transportation, not to exceed  
10                  10 percent of the funds allocated to a local  
11                  educational agency under this part, to such  
12                  higher performing schools or public charter  
13                  schools.

14                  “(III) Take not less than 1 additional  
15                  action described under this subparagraph.

16                  “(D) Prior to implementing any corrective  
17                  action, the State educational agency shall pro-  
18                  vide notice and an opportunity for a hearing to  
19                  the affected local educational agency, if State  
20                  law provides for such notice and opportunity.

21                  “(E) Not later than 45 days after the  
22                  State educational agency makes its initial deter-  
23                  mination that a local educational agency in the  
24                  State and receiving assistance under this part is  
25                  eligible for improvement, the State educational

1           agency shall make public a final determination  
2           on the status of the local educational agency.

3           “(F) The State educational agency shall  
4           publish and disseminate to parents described in  
5           paragraph (7) and the public information re-  
6           garding any corrective action the State edu-  
7           cational agency takes under this paragraph  
8           through such means as the Internet, the media,  
9           and public agencies.

10          “(G) The State educational agency may  
11          delay, for a period not to exceed 1 year, imple-  
12          mentation of corrective action if the local edu-  
13          cational agency’s failure to make adequate year-  
14          ly progress was justified due to exceptional or  
15          uncontrollable circumstances, such as a natural  
16          disaster or a precipitous and unforeseen decline  
17          in the financial resources of the local edu-  
18          cational agency or schools served by the local  
19          educational agency.”.

20   **SEC. 110. STATE ASSISTANCE FOR SCHOOL SUPPORT AND**  
21           **IMPROVEMENT.**

22          Section 1117 (20 U.S.C. 6318) is amended to read  
23   as follows:

1   **“SEC. 1117. STATE ASSISTANCE FOR SCHOOL SUPPORT AND**  
2                   **IMPROVEMENT.**

3           “(a) SYSTEM FOR SUPPORT.—Using funds allocated  
4 under section 1003(a)(1), each State educational agency  
5 shall establish a statewide system of intensive and sus-  
6 tained support and improvement for local educational  
7 agencies, elementary schools, and secondary schools re-  
8 ceiving funds under this part, in order to ensure that all  
9 groups of students specified in section 1111 and attending  
10 such schools meet or exceed the proficient standard level  
11 performance on the assessments required by section  
12 1111(b)(4) within 10 years of the date of enactment of  
13 the Public Education Reinvestment, Reinvention, and Re-  
14 sponsibility Act (Three R’s).

15           “(b) PRIORITIES.—In carrying out this section, a  
16 State educational agency shall—

17               “(1) first, provide support and assistance to  
18 local educational agencies and schools subject to cor-  
19 rection action under section 1116, in accordance  
20 with section 1116(c)(11), for which a local edu-  
21 cational agency has failed to carry out its respon-  
22 sibilities under section 1116(c) (9) and (10);

23               “(2) second, provide support and assistance to  
24 local educational agencies identified as in need of  
25 improvement under section 1116, and assist elemen-  
26 tary schools and secondary schools; and



1           “(3) third, provide support and assistance to  
2           local educational agencies and schools participating  
3           under this part that are at risk of being identified  
4           as being in need of improvement within the next  
5           academic year.

6           “(c) APPROACHES.—In order to achieve the purpose  
7           described in subsection (a), each statewide system shall  
8           provide technical assistance and support through ap-  
9           proaches such as—

10           “(1) school support teams, composed of individ-  
11           uals who are knowledgeable about scientifically  
12           based research, teaching and learning practices, and  
13           particularly about strategies for improving edu-  
14           cational results for low-achieving children; and

15           “(2) designating and using Distinguished Edu-  
16           cators, who are chosen from schools served under  
17           this part that have been especially successful in im-  
18           proving academic achievement.

19           “(d) FUNDS.—Each State educational agency—

20           “(1) shall use funds reserved under section  
21           1003(a)(1), but not used under section 1003(a)(2),  
22           to carry out this section; and

23           “(2) may use State administrative funds au-  
24           thorized under section 1703(c) to carry out this sec-  
25           tion.

1 “(e) ALTERNATIVES.—The State educational agency  
2 may—

3 “(1) devise additional approaches to providing  
4 the technical assistance and support described in  
5 subsection (e), such as providing assistance through  
6 institutions of higher education, educational service  
7 agencies, or other local consortia; and

8 “(2) seek approval from the Secretary to use  
9 funds under section 1003(a)(2) for such approaches  
10 as part of the State plan.”.

11 **SEC. 111. PARENTAL INVOLVEMENT CHANGES.**

12 (a) LOCAL EDUCATIONAL AGENCY POLICY.—Section  
13 1118(a) (20 U.S.C. 6319(a)) is amended—

14 (1) in paragraph (1), by striking “programs,  
15 activities, and procedures” and inserting “activities  
16 and procedures”;

17 (2) in paragraph (2), by striking subparagraphs  
18 (E) and (F) and inserting the following:

19 “(E) conduct, with the involvement of par-  
20 ents, an annual evaluation of the content and  
21 effectiveness of the parental involvement policy  
22 in improving the academic quality of the schools  
23 served under this part;

24 “(F) involve parents in the activities of the  
25 schools served under this part; and

1           “(G) promote consumer friendly environ-  
2           ments within the local educational agency and  
3           schools served under this part.”;

4           (3) in paragraph (3), by adding at the end the  
5           following new subparagraph:

6           “(C) Not less than 90 percent of the funds re-  
7           served under subparagraph (A) shall be distributed  
8           to schools served under this part.”.

9           (b) NOTICE.—Section 1118(b)(1) (20 U.S.C.  
10 6319(b)(1)) is amended by inserting after the first sen-  
11 tence “Parents shall be notified of the policy in a format,  
12 and to the extent practicable in a language, that the par-  
13 ents can understand.”.

14           (c) PARENTAL INVOLVEMENT.—Section 1118(c)(4)  
15 (20 U.S.C. 6319(c)(4)) is amended—

16           (1) in subparagraph (B), by striking “school  
17           performance profiles required under section  
18           1116(a)(3)” and inserting “school reports described  
19           under section 4401”;

20           (2) by redesignating subparagraphs (D) and  
21           (E) as subparagraphs (F) and (G), respectively;

22           (3) by inserting after subparagraph (C) the fol-  
23           lowing:

24           “(D) notice of the school’s designation as  
25           a school in need of improvement under section

1           1116(b), if applicable, and a clear explanation  
2           of what such designation means;

3           “(E) notice of corrective action taken  
4           against the school under section 1116(c)(9) and  
5           1116(d)(12), if applicable, and a clear expla-  
6           nation of what such action means;” and

7           (4) in subparagraph (G) (as redesignated by  
8           paragraph (2)), by striking “subparagraph (D)” and  
9           inserting “subparagraph (F)”.

10          (d) BUILDING CAPACITY FOR INVOLVEMENT.—Sec-  
11          tion 1118(e) (20 U.S.C 6319(e)) is amended—

12           (1) in paragraph (1), by striking “National  
13          Educational Goals,”;

14           (2) by redesignating paragraphs (14) and (15)  
15          as paragraphs (16) and (17), respectively;

16           (3) by inserting after paragraph (13) the fol-  
17          lowing:

18           “(14) may establish a district wide parent advi-  
19          sory council to advise on all matters related to pa-  
20          rental involvement in programs supported under this  
21          part;” and

22           (4) by redesignating paragraph (5) as para-  
23          graph (15) and transferring such paragraph to fol-  
24          low paragraph 14 (as redesignated by paragraph  
25          (3));

1           (5) by inserting after paragraph (4) the fol-  
2       lowing:

3           “(5) shall expand the use of electronic commu-  
4       nications among teachers, students, and parents,  
5       such as through the use of websites and e-mail com-  
6       munications;”;

7           (6) in paragraph (8), by inserting “, to the ex-  
8       tent practicable, in a language and format the par-  
9       ent can understand” before the semicolon; and

10          (7) in paragraph (15) (as redesignated by para-  
11       graph (4)), by striking “shall” and inserting “may”.

12       (e) ACCESSIBILITY.—Section 1118(f) (20 U.S.C.  
13   6319(f)) is amended by striking “, including” and all that  
14   follows through the period and inserting “and of parents  
15   of migratory children, including providing information and  
16   school reports required under section 1111 and described  
17   in section 4401 in a language and form such parents un-  
18   derstand.”.

19   **SEC. 112. QUALIFICATIONS FOR TEACHERS AND PARA-**  
20                           **PROFESSIONALS.**

21       Title I of the Act (20 U.S.C. 6301 et seq.) is  
22   amended—

23           (1) by redesignating section 1119 (20 U.S.C.  
24       6320) as section 1119A; and

1           (2) by inserting after section 1118 the fol-  
2       lowing:

3       **“SEC. 1119. QUALIFICATIONS FOR TEACHERS AND PARA-**  
4                               **PROFESSIONALS.**

5       “(a) IN GENERAL.—Each State educational agency  
6       receiving assistance under this part shall develop and sub-  
7       mit to the Secretary a plan to ensure that all teachers  
8       teaching within the State are fully qualified, as defined  
9       in section 2002(1), not later than December 31, 2005.  
10      Such plan shall include an assurance that the State edu-  
11      cational agency will require each local educational agency  
12      and school receiving funds under this part publicly to re-  
13      port the annual progress with respect to the local edu-  
14      cational agency’s and school’s performance in increasing  
15      the percentage of classes in core academic areas taught  
16      by fully qualified teachers.

17      “(b) NEW PARAPROFESSIONALS.—

18           “(1) IN GENERAL.—Each local educational  
19      agency receiving assistance under this part shall en-  
20      sure that all paraprofessionals hired 1 year or more  
21      after the effective date of the Public Education Re-  
22      investment, Reinvention, and Responsibility Act  
23      (Three R’s) and working in a program supported  
24      with funds under this part shall—

1           “(A) have completed at least 2 years of  
2           study at an institution of higher education;

3           “(B) have obtained an associate’s (or high-  
4           er) degree; or

5           “(C) have met a rigorous standard of qual-  
6           ity that demonstrates, through a formal  
7           assessment—

8                   “(i) knowledge of, and the ability to  
9                   assist in instructing reading, writing, and  
10                  math; or

11                  “(ii) knowledge of, and the ability to  
12                  assist in instructing reading readiness,  
13                  writing readiness, and math readiness, as  
14                  appropriate.

15           “(2) CLARIFICATION.—For purposes of para-  
16           graph (1)(C), the receipt of a high school diploma  
17           (or its recognized equivalent) shall be necessary but  
18           not by itself sufficient to satisfy the requirements of  
19           such paragraph.

20           “(c) EXISTING PARAPROFESSIONALS.—Each local  
21           educational agency receiving assistance under this part  
22           shall ensure that all paraprofessionals hired before the  
23           date that is 1 year after the effective date of the Public  
24           Education Reinvestment, Reinvention, and Responsibility  
25           Act (Three R’s) and working in a program supported with

1 funds under this part shall, not later than 3 years after  
2 such effective date, satisfy the requirements of subsection  
3 (b).

4 “(d) EXCEPTIONS FOR TRANSLATION AND PAREN-  
5 TAL INVOLVEMENT ACTIVITIES.—Subsections (b) and (c)  
6 shall not apply to a paraprofessional—

7 “(A) who is proficient in English and a  
8 language other than English and who provides  
9 services primarily to enhance the participation  
10 of children in programs under this part by act-  
11 ing as a translator; or

12 “(B) whose duties consist solely of con-  
13 ducting parental involvement activities con-  
14 sistent with section 1118.

15 “(e) GENERAL REQUIREMENT FOR ALL PARA-  
16 PROFESSIONALS.—Each local educational agency receiving  
17 assistance under this part shall ensure that all paraprofes-  
18 sionals working in a program supported with funds under  
19 this part, regardless of the paraprofessional’s hiring date,  
20 possess a high school diploma or its recognized equivalent.

21 “(f) DUTIES OF PARAPROFESSIONALS.—

22 “(1) IN GENERAL.—Each local educational  
23 agency receiving assistance under this part shall en-  
24 sure that a paraprofessional working in a program



1 supported with funds under this part is not assigned  
2 a duty inconsistent with this subsection.

3 “(2) RESPONSIBILITIES PARAPROFESSIONALS  
4 MAY BE ASSIGNED.—A paraprofessional described in  
5 paragraph (1) may only be assigned—

6 “(A) to provide one-on-one tutoring for eli-  
7 gible students, if the tutoring is scheduled at a  
8 time when a student would not otherwise re-  
9 ceive instruction from a teacher;

10 “(B) to assist with classroom management,  
11 such as organizing instructional and other ma-  
12 terials;

13 “(C) to provide assistance in a computer  
14 laboratory;

15 “(D) to conduct parental involvement ac-  
16 tivities;

17 “(E) to provide support in a library or  
18 media center;

19 “(F) to act as a translator; or

20 “(G) to provide instructional services to  
21 students;

22 “(3) ADDITIONAL LIMITATIONS.—A paraprofes-  
23 sional described in paragraph (1)—

24 “(A) may not provide any instructional  
25 service to a student unless the paraprofessional

1 is working under the direct supervision of a  
2 fully qualified teacher; and

3 “(B) may not provide instructional services  
4 to students in the area of reading, writing, or  
5 math unless the paraprofessional has dem-  
6 onstrated, through a State or local assessment,  
7 the ability effectively to carry out reading, writ-  
8 ing, or math instruction.

9 “(g) USE OF FUNDS.—

10 “(1) PROFESSIONAL DEVELOPMENT.—A local  
11 educational agency receiving funds under this part  
12 may use such funds to support ongoing training and  
13 professional development to assist teachers and  
14 paraprofessionals in satisfying the requirements of  
15 this section.

16 “(2) LIMITATION ON USE OF FUNDS FOR PARA-  
17 PROFESSIONALS.—

18 “(A) IN GENERAL.—Beginning on and  
19 after the effective date of the Public Education  
20 Reinvestment, Reinvention, and Responsibility  
21 Act (Three R’s), a local educational agency may  
22 not use funds received under this part to fund  
23 any paraprofessional hired after such date un-  
24 less the hiring is to fill a vacancy created by the  
25 departure of another paraprofessional funded

1 under this part and such new paraprofessional  
2 satisfies the requirements of subsection (b) or  
3 (c).

4 “(B) EXCEPTION.—Subparagraph (A)  
5 shall not apply for a fiscal year to a local edu-  
6 cational agency that can demonstrate to the  
7 State that all teachers under the jurisdiction of  
8 the agency are fully qualified.

9 “(h) VERIFICATION OF COMPLIANCE.—

10 “(1) IN GENERAL.—In verifying compliance  
11 with this section, each local educational agency at a  
12 minimum shall require that the principal of each  
13 school operating a program under section 1114 or  
14 1115 annually attest in writing as to whether such  
15 school is in compliance with the requirements of this  
16 section.

17 “(2) AVAILABILITY OF INFORMATION.—Copies  
18 of attestations under paragraph (1)—

19 “(A) shall be maintained at each school op-  
20 erating a program under section 1114 or 1115  
21 and at the main office of the local educational  
22 agency; and

23 “(B) shall be available to any member of  
24 the general public upon request.”.

1 **SEC. 113. PROFESSIONAL DEVELOPMENT.**

2 Section 1119A (as redesignated by section 112(a)) is  
3 amended—

4 (1) by amending subsection (a) to read as fol-  
5 lows:

6 “(a) PURPOSE.—The purpose of this section is to as-  
7 sist each local educational agency receiving assistance  
8 under this part in increasing the academic achievement  
9 of eligible children (as identified under section  
10 1115(b)(1)(B)) (in this section referred to as eligible chil-  
11 dren) through improved teacher quality.”;

12 (2) in subsection (b)—

13 (A) by amending paragraph (1) to read as  
14 follows:

15 “(1) REQUIRED ACTIVITIES.—Each local edu-  
16 cational agency receiving assistance under this part  
17 shall provide professional development activities  
18 under this section that shall—

19 “(A) give teachers, principals, and admin-  
20 istrators the knowledge and skills to provide eli-  
21 gible children with the opportunity to meet  
22 challenging State or local content standards  
23 and student performance standards;

24 “(B) support the recruiting, hiring, and  
25 training of fully qualified teachers, including

1 teachers fully qualified through State and local  
2 alternative routes;

3 “(C) advance teacher understanding of ef-  
4 fective instructional strategies, based on sci-  
5 entifically based research, for improving eligible  
6 children achievement, at a minimum, in mathe-  
7 matics, science, and English language arts;

8 “(D) be directly related to the curricula  
9 and content areas in which the teacher provides  
10 instruction;

11 “(E) be designed to enhance the ability of  
12 a teacher to understand and use the State’s  
13 standards for the subject area in which the  
14 teacher provides instruction;

15 “(F) be tied to scientifically based research  
16 that demonstrates the effectiveness of such pro-  
17 fessional development activities or programs in  
18 increasing eligible children achievement or sub-  
19 stantially increasing the knowledge and teach-  
20 ing skills of teachers;

21 “(G) be of sufficient intensity and duration  
22 (not to include 1-day or short-term workshops  
23 and conferences) to have a positive and lasting  
24 impact on the teacher’s performance in the  
25 classroom, except that this subparagraph shall

1 not apply to an activity if such activity is one  
2 component of a long-term comprehensive pro-  
3 fessional development plan established by the  
4 teacher and the teacher's supervisor based upon  
5 an assessment of their needs, their eligible chil-  
6 dren's needs, and the needs of the local edu-  
7 cational agency;

8 “(H) be developed with extensive participa-  
9 tion of teachers, principals, parents, administra-  
10 tors of schools, and local school boards of  
11 schools to be served under this part;

12 “(I) to the extent appropriate, provide  
13 training for teachers in the use of technology so  
14 that technology and its applications are effec-  
15 tively used in the classroom to improve teaching  
16 and learning in the curricula and academic con-  
17 tent areas in which the teachers provide in-  
18 struction;

19 “(J) as a whole, be regularly evaluated for  
20 such activities' impact on increased teacher ef-  
21 fectiveness and improved student achievement,  
22 with the findings of such evaluations used to  
23 improve the quality of professional development;  
24 and

“(K) include strategies for identifying and eliminating gender and racial bias in instructional materials, methods, and practices.”;

(B) in paragraph (2)—

(i) in subparagraph (A), by inserting “and data to inform and instruct classroom practice” before the semicolon;

(ii) by striking subparagraphs (D) and (G);

(iii) by redesignating subparagraphs (E), (F), (H), and (I), as subparagraphs (D), (E), (F) and (G), respectively; and

(iv) by inserting after subparagraph (G) (as redesignated by clause (iii)) the following new subparagraph:

“(H) instruction in the ways that teachers, principals, and guidance counselors can work with parents and students from groups, such as females and minorities, that are underrepresented in careers in mathematics, science, engineering, and technology, to encourage and maintain the interest of such students in those careers.”;

“(2) OPTIONAL ACTIVITIES.—Such professional development activities may include—

1           “(A) instruction in the use of data and as-  
2           sessments to inform and instruct classroom  
3           practice;

4           “(B) instruction in ways that teachers,  
5           principals, pupil services personnel, and school  
6           administrators may work more effectively with  
7           parents;

8           “(C) the forming of partnerships with in-  
9           stitutions of higher education to establish  
10          school-based teacher training programs that  
11          provide prospective teachers and novice teachers  
12          with an opportunity to work under the guidance  
13          of experienced teachers and college faculty;

14          “(D) the creation of career ladder pro-  
15          grams for paraprofessionals (assisting teachers  
16          under this part) to obtain the education nec-  
17          essary for such paraprofessionals to become li-  
18          censed and certified teachers;

19          “(E) instruction in ways to teach special  
20          needs children;

21          “(F) joint professional development activi-  
22          ties involving programs under this part, Head  
23          Start, Even Start, or State-run preschool pro-  
24          gram personnel;



1           “(G) instruction in experiential-based  
2           teaching methods such as service or applied  
3           learning;

4           “(H) mentoring programs focusing on  
5           changing teacher behaviors and practices to  
6           help novice teachers, including teachers who are  
7           members of a minority group, develop and gain  
8           confidence in their skills, to increase the likeli-  
9           hood that they will continue in the teaching  
10          profession, and generally to improve the quality  
11          of their teaching; and

12          “(I) instruction in gender-equitable meth-  
13          ods, techniques, and practices.

14          (3) by striking subsections (f) through (i); and

15          (4) by adding after subsection (e) the following:

16          “(f) CONSOLIDATION OF FUNDS.—Funds provided  
17          under this part that are used for professional development  
18          purposes may be consolidated with funds provided under  
19          title II of this Act and other sources.

20          “(g) DEFINITION.—The term ‘fully qualified’ has the  
21          same meaning given such term in section 2002(1).

22       **SEC. 114. FISCAL REQUIREMENTS.**

23          Section 1120A(a) (20 U.S.C. 6322(a)) is amended by  
24          striking “section 14501” and inserting “section 8501”.

1 **SEC. 115. COORDINATION REQUIREMENTS.**

2 Section 1120B (20 U.S.C. 6323) is amended—

3 (1) in subsection (a), by striking “to the extent  
4 feasible” and all that follows through the period and  
5 inserting “in coordination with local Head Start  
6 agencies, and if feasible, other early childhood devel-  
7 opment programs.”;

8 (2) in subsection (b)—

9 (A) in paragraph (3) by striking “and”  
10 after the semicolon;

11 (B) in paragraph (4) by striking the period  
12 and inserting “; and”; and

13 (C) by adding at the end, the following:

14 “(5) linking the educational services provided in  
15 such local educational agency with the services pro-  
16 vided in local Head Start agencies.”.

17 **SEC. 115A. LIMITATIONS ON FUNDS.**

18 Subpart 1 of part A of title I (20 U.S.C. 6311 et  
19 seq.) is amended by inserting after section 1120B (20  
20 U.S.C. 6321) the following:

21 **“SEC. 1120C. LIMITATIONS ON FUNDS.**

22 “(a) IN GENERAL.—Notwithstanding any other pro-  
23 vision of this Act, a local educational agency shall use  
24 funds received under this subpart only to provide instruc-  
25 tion to students, and for services directly related to in-  
26 struction, in preschool through grade 12 to assist eligible

1 children to improve their academic achievement and to  
2 meet achievement standards established by the State.

3 “(b) PERMISSIBLE AND PROHIBITED ACTIVITIES.—

4 In this subpart, the term ‘academic instruction’—

5 “(1) includes—

6 “(A) the employment of teachers and other  
7 instructional personnel, including providing  
8 teachers and instructional personnel with em-  
9 ployee benefits;

10 “(B) the extension of academic instruction  
11 beyond the normal school day and year, includ-  
12 ing summer school;

13 “(C) the provision of instructional services  
14 to pre-kindergarten children to prepare such  
15 children for the transition to kindergarten;

16 “(D) the purchase of instructional re-  
17 sources, such as books, materials, computers,  
18 and other instructional equipment and wiring to  
19 support instructional equipment;

20 “(E) the development and administration  
21 of curriculum, educational materials, and as-  
22 sessments;

23 “(F) the implementation of—

24 “(i) instructional interventions in  
25 schools in need of improvement; and

1 “(ii) corrective actions to improve stu-  
2 dent achievement; and

3 “(G) the transportation of students to as-  
4 sist them in improving academic achievement,  
5 except that not more than 10 percent of the  
6 funds made available under this subpart to a  
7 local educational agency shall be used to carry  
8 out this subparagraph;

9 “(2) but does not include—

10 “(A) the purchase or provision of janitorial  
11 services and utility costs;

12 “(B) the construction or operation of fa-  
13 cilities;

14 “(C) the acquisition of real property;

15 “(D) costs for food and refreshments; or

16 “(E) the purchase or lease of vehicles.”.

17 **SEC. 116. GRANTS FOR THE OUTLYING AREAS AND THE**  
18 **SECRETARY OF THE INTERIOR.**

19 Section 1121 (20 U.S.C. 6331) is amended to read  
20 as follows:

21 **“Subpart 2—Allocations**

22 **“SEC. 1121. GRANTS FOR THE OUTLYING AREAS AND THE**  
23 **SECRETARY OF THE INTERIOR.**

24 “(a) RESERVATION OF FUNDS.—From the amount  
25 appropriated for payments to States for any fiscal year

1 under section 1002(a), the Secretary shall reserve a total  
2 of 1 percent to provide assistance to—

3 “(1) the outlying areas on the basis of their re-  
4 spective need for such assistance according to such  
5 criteria as the Secretary determines will best carry  
6 out the purpose of this part; and

7 “(2) the Secretary of the Interior in the amount  
8 necessary to make payments pursuant to subsection  
9 (c).

10 “(b) ASSISTANCE TO THE OUTLYING AREAS.—

11 “(1) IN GENERAL.—From amounts made avail-  
12 able under subsection (a) in each fiscal year, the  
13 Secretary shall make grants to local educational  
14 agencies in the outlying areas (other than the out-  
15 lying areas assisted under paragraph (2)).

16 “(2) COMPETITIVE GRANTS.—(A) For each fis-  
17 cal year through 2006, the Secretary shall reserve  
18 \$5,000,000 from the amounts made available under  
19 subsection (a) to award grants on a competitive  
20 basis, to local educational agencies in the Federated  
21 States of Micronesia, the Republic of the Marshall  
22 Islands, and the Republic of Palau. The Secretary  
23 shall award such grants according to the rec-  
24 ommendations of the Pacific Region Educational

1 Laboratory which shall conduct a competition for  
2 such grants.

3 “(B) Except as provided in subparagraph (D),  
4 grant funds awarded under this part only may be  
5 used for programs described in this Act, including  
6 teacher training, curriculum development, instruc-  
7 tional materials, or general school improvement and  
8 reform.

9 “(C) Grant funds awarded under this para-  
10 graph only may be used to provide direct educational  
11 services.

12 “(D) The Secretary may provide 5 percent of  
13 the amount made available for grants under this  
14 paragraph to pay the administrative costs of the Pa-  
15 cific Region Educational Laboratory regarding ac-  
16 tivities assisted under this paragraph.

17 “(c) ALLOTMENT TO THE SECRETARY OF THE INTE-  
18 RIOR.—

19 “(1) IN GENERAL.—The amount allotted for  
20 payments to the Secretary of the Interior under sub-  
21 section (a)(2) for any fiscal year shall be, as deter-  
22 mined pursuant to criteria established by the Sec-  
23 retary, the amount necessary to meet the special  
24 educational needs of—

1           “(A) Indian children on reservations served  
2           by elementary schools and secondary schools for  
3           Indian children operated or supported by the  
4           Department of the Interior; and

5           “(B) out-of-State Indian children in ele-  
6           mentary schools and secondary schools in local  
7           educational agencies under special contracts  
8           with the Department of the Interior.

9           “(2) PAYMENTS.—From the amount allotted  
10          for payments to the Secretary of the Interior under  
11          subsection (a)(2), the Secretary of the Interior shall  
12          make payments to local educational agencies, upon  
13          such terms as the Secretary determines will best  
14          carry out the purposes of this part, with respect to  
15          out-of-State Indian children described in paragraph  
16          (1). The amount of such payment may not exceed,  
17          for each such child, the greater of—

18               “(A) 40 percent of the average per pupil  
19               expenditure in the State in which the agency is  
20               located; or

21               “(B) 48 percent of such expenditure in the  
22               United States.

1 **“SEC. 1122. AMOUNTS FOR BASIC GRANTS, CONCENTRA-**  
2 **TION GRANTS, AND TARGETED GRANTS.**

3 “(a) IN GENERAL.—For fiscal years 2002 through  
4 2006, an amount of the appropriations for this part equal  
5 to the appropriation for fiscal year 2001, for section 1124  
6 shall be allocated in accordance with section 1124, and  
7 an amount equal to the appropriation for fiscal year 2001  
8 for section 1124A shall be allocated in accordance with  
9 section 1124A. Any additional appropriations under sec-  
10 tion 1002(a) for any fiscal year, after application of the  
11 preceding sentence, shall be allocated in accordance with  
12 section 1125.

13 “(b) ADJUSTMENTS WHERE NECESSITATED BY AP-  
14 PROPRIATIONS.—

15 “(1) IN GENERAL.—If the sums available under  
16 this part for any fiscal year are insufficient to pay  
17 the full amounts that all local educational agencies  
18 in States are eligible to receive under sections 1124,  
19 1124A, and 1125 for such year, the Secretary shall  
20 ratably reduce the allocations to such local edu-  
21 cational agencies, subject to subsections (c) and (d)  
22 of this section.

23 “(2) ADDITIONAL FUNDS.—If additional funds  
24 become available for making payments under sec-  
25 tions 1124, 1124A, and 1125 for such fiscal year,  
26 allocations that were reduced under paragraph (1)



1 shall be increased on the same basis as they were re-  
2 duced.

3 “(c) HOLD-HARMLESS AMOUNTS.—

4 “(1) IN GENERAL.—For each fiscal year, except  
5 as provided in paragraph (2) and subsection (d), the  
6 amount made available to each local educational  
7 agency under each of sections 1124 and 1125 shall  
8 be not less than 95 percent of the previous year’s  
9 amount if the number of children counted for grants  
10 under section 1124 is at least 30 percent of the total  
11 number of children aged 5 to 17 years, inclusive, in  
12 the local educational agency, 90 percent of the pre-  
13 vious year amount if this percentage is between 15  
14 percent and 30 percent, and 85 percent if this per-  
15 centage is below 15 percent.

16 “(2) SUFFICIENT FUNDS.—If sufficient funds  
17 are appropriated, the hold-homeless amounts de-  
18 scribed in paragraph (1) shall be paid to all local  
19 educational agencies which received grants under  
20 section 1124, 1124A, or 1125 for the preceding fis-  
21 cal year, regardless of whether the local educational  
22 agency meets the minimum eligibility criteria pro-  
23 vided in section 1124(b), 1124A(a)(1)(A), or  
24 1125(a), respectively, except that a local educational  
25 agency which does not meet such minimum eligibility

1 criteria for 5 consecutive years shall no longer be eli-  
2 gible to receive a hold-harmless amount.

3 “(3) CALCULATION.—In any fiscal year for  
4 which the Secretary calculates grants on the basis of  
5 population data for counties, the Secretary shall  
6 apply the hold-harmless percentages in paragraph  
7 (1) to counties, and, if the Secretary’s allocation for  
8 a county is not sufficient to meet the hold-harmless  
9 requirements of this subsection for every local edu-  
10 cational agency within that county, then the State  
11 educational agency shall reallocate funds proportion-  
12 ately from all other local educational agencies in the  
13 State that are receiving funds in excess of the hold-  
14 harmless amounts specified in this subsection.

15 “(d) RATABLE REDUCTIONS.—

16 “(1) IN GENERAL.—If the sums made available  
17 under this part for any fiscal year are insufficient to  
18 pay the full amounts that all States are eligible to  
19 receive under subsection (c) for such year, the Sec-  
20 retary shall ratably reduce such amounts for such  
21 year.

22 “(2) ADDITIONAL FUNDS.—If additional funds  
23 become available for making payments under sub-  
24 section (c) for such fiscal year, amounts that were

1 reduced under paragraph (1) shall be increased on  
2 the same basis as such amounts reduced.

3 “(e) DEFINITION.—For the purpose of this section  
4 and sections 1124, 1124A, and 1125, the term ‘State’  
5 means each of the 50 States, the District of Columbia,  
6 and the Commonwealth of Puerto Rico.

7 **“SEC. 1124. BASIC GRANTS TO LOCAL EDUCATIONAL AGEN-**  
8 **CIES.**

9 “(a) AMOUNT OF GRANTS.—

10 “(1) GRANTS FOR LOCAL EDUCATIONAL AGEN-  
11 CIES AND PUERTO RICO.—Except as provided in  
12 paragraph (4) and in section 1126, the grant that  
13 a local educational agency is eligible to receive under  
14 this section for a fiscal year is the amount deter-  
15 mined by multiplying—

16 “(A) the number of children counted under  
17 subsection (c); and

18 “(B) 40 percent of the average per-pupil  
19 expenditure in the State, except that the  
20 amount determined under this subparagraph  
21 shall not be less than 32 percent, and not more  
22 than 48 percent, of the average per-pupil ex-  
23 penditure in the United States.

24 “(2) CALCULATION OF GRANTS.—

1           “(A) ALLOCATIONS TO LOCAL EDU-  
2           CATIONAL AGENCIES.—The Secretary shall cal-  
3           culate grants under this section on the basis of  
4           the number of children counted under sub-  
5           section (c) for local educational agencies, unless  
6           the Secretary and the Secretary of Commerce  
7           determine that some or all of those data are un-  
8           reliable or that their use would be otherwise in-  
9           appropriate, in which case—

10                   “(i) the 2 Secretaries shall publicly  
11                   disclose the reasons for their determination  
12                   in detail; and

13                   “(ii) paragraph (3) shall apply.

14           “(B) ALLOCATIONS TO LARGE AND SMALL  
15           LOCAL EDUCATIONAL AGENCIES.—(i) For any  
16           fiscal year to which this paragraph applies, the  
17           Secretary shall calculate grants under this sec-  
18           tion for each local educational agency.

19                   “(ii) The amount of a grant under this  
20                   section for each large local educational agency  
21                   shall be the amount determined under clause  
22                   (i).

23                   “(iii) For small local educational agencies,  
24                   the State educational agency may either—

1 “(I) distribute grants under this sec-  
2 tion in amounts determined by the Sec-  
3 retary under clause (i); or

4 “(II) use an alternative method, devel-  
5 oped in accordance with clause (iv), ap-  
6 proved by the Secretary to distribute the  
7 portion of the State’s total grants under  
8 this section that is based on those small  
9 agencies.

10 “(iv) An alternative method under clause  
11 (iii)(II) shall be based on population data that  
12 the State educational agency determines best  
13 reflect the current distribution of children in  
14 poor families among the State’s small local edu-  
15 cational agencies that meet the eligibility cri-  
16 teria of subsection (b).

17 “(v) If a small local educational agency is  
18 dissatisfied with the determination of its grant  
19 by the State educational agency under clause  
20 (iii)(II), it may appeal that determination to the  
21 Secretary, who shall respond within 45 days of  
22 receiving it.

23 “(vi) As used in this subparagraph—

24 “(I) the term ‘large local educational  
25 agency’ means a local educational agency

1 serving an area with a total population of  
2 20,000 or more; and

3 “(II) the term ‘small local educational  
4 agency’ means a local educational agency  
5 serving an area with a total population of  
6 less than 20,000.

7 “(3) ALLOCATIONS TO COUNTIES.—(A) For any  
8 fiscal year to which this paragraph applies, the Sec-  
9 retary shall calculate grants under this section on  
10 the basis of the number of children counted under  
11 section 1124(c) for counties, and State educational  
12 agencies shall suballocate county amounts to local  
13 educational agencies, in accordance with regulations  
14 promulgated by the Secretary.

15 “(B) In any State in which a large number of  
16 local educational agencies overlap county boundaries,  
17 or for which the State believes it has data that  
18 would better target funds than allocating them by  
19 county, the State educational agency may apply to  
20 the Secretary for authority to make the allocations  
21 under this part for a particular fiscal year directly  
22 to local educational agencies without regard to coun-  
23 ties.

24 “(C) If the Secretary approves a State’s appli-  
25 cation under subparagraph (B), the State edu-

1        cational agency shall provide the Secretary an assur-  
2        ance that those allocations are made—

3                “(i) using precisely the same factors for  
4                determining a grant as are used under this  
5                part; or

6                “(ii) using data that the State educational  
7                agency submits to the Secretary for approval  
8                that more accurately target poverty.

9                “(D) The State educational agency shall pro-  
10        vide the Secretary an assurance that a procedure is  
11        (or will be) established through which local edu-  
12        cational agencies that are dissatisfied with its deter-  
13        minations under subparagraph (B) may appeal di-  
14        rectly to the Secretary for a final determination.

15                “(4) PUERTO RICO.—For each fiscal year, the  
16        Secretary shall determine the percentage which the  
17        average per pupil expenditure in the Commonwealth  
18        of Puerto Rico is of the lowest average per pupil ex-  
19        penditure of any of the 50 States. The grant which  
20        the Commonwealth of Puerto Rico shall be eligible  
21        to receive under this section for a fiscal year shall  
22        be the amount arrived at by multiplying the number  
23        of children counted under subsection (c) for the  
24        Commonwealth of Puerto Rico by the product of—

1           “(A) the percentage determined under the  
2 preceding sentence; and

3           “(B) 32 percent of the average per pupil  
4 expenditure in the United States.

5           “(5) DEFINITION.—For purposes of this sub-  
6 section, the term ‘State’ does not include Guam,  
7 American Samoa, the Virgin Islands, the Northern  
8 Mariana Islands, or Palau.

9           “(b) MINIMUM NUMBER OF CHILDREN TO QUAL-  
10 IFY.—A local educational agency is eligible for a basic  
11 grant under this section for any fiscal year only if the  
12 number of children counted under subsection (c) for that  
13 agency is—

14           “(1) 10 or more; and

15           “(2) more than 2 percent of the total school-age  
16 population in the agency’s jurisdiction.

17           “(c) CHILDREN TO BE COUNTED.—

18           “(1) CATEGORIES OF CHILDREN.—The number  
19 of children to be counted for purposes of this section  
20 is the aggregate of—

21           “(A) the number of children aged 5 to 17,  
22 inclusive, in the school district of the local edu-  
23 cational agency from families below the poverty  
24 level as determined under paragraph (2);



1           “(B) the number of children aged 5 to 17,  
2           inclusive, in the school district of such agency  
3           from families above the poverty level as deter-  
4           mined under paragraph (5); and

5           “(C) the number of children (determined  
6           under paragraph (4) for either the preceding  
7           year as described in that paragraph, or for the  
8           second preceding year, as the Secretary finds  
9           appropriate) aged 5 to 17, inclusive, in the  
10          school district of such agency in institutions for  
11          neglected and delinquent children (other than  
12          such institutions operated by the United  
13          States), but not counted pursuant to subpart 1  
14          of part D for the purposes of a grant to a State  
15          agency, or being supported in foster homes with  
16          public funds.

17          “(2) DETERMINATION OF NUMBER OF CHIL-  
18          DREN.—For the purposes of this section, the Sec-  
19          retary shall determine the number of children aged  
20          5 to 17, inclusive, from families below the poverty  
21          level on the basis of the most recent satisfactory  
22          data, described in paragraph (3), available from the  
23          Department of Commerce. The District of Columbia  
24          and the Commonwealth of Puerto Rico shall be  
25          treated as individual local educational agencies. If a

1 local educational agency contains 2 or more counties  
2 in their entirety, then each county will be treated as  
3 if such county were a separate local educational  
4 agency for purposes of calculating grants under this  
5 part. The total of grants for such counties shall be  
6 allocated to such a local educational agency, which  
7 local educational agency shall distribute to schools in  
8 each county within such agency a share of the local  
9 educational agency's total grant that is no less than  
10 the county's share of the population counts used to  
11 calculate the local educational agency's grant.

12 “(3) POPULATION UPDATES.—In fiscal year  
13 2002 and every 2 years thereafter, the Secretary  
14 shall use updated data on the number of children,  
15 aged 5 to 17, inclusive, from families below the pov-  
16 erty level for counties or local educational agencies,  
17 published by the Department of Commerce, unless  
18 the Secretary and the Secretary of Commerce deter-  
19 mine that use of the updated population data would  
20 be inappropriate or unreliable. If the Secretary and  
21 the Secretary of Commerce determine that some or  
22 all of the data referred to in this paragraph are in-  
23 appropriate or unreliable, they shall publicly disclose  
24 their reasons. In determining the families which are  
25 below the poverty level, the Secretary shall utilize

1 the criteria of poverty used by the Bureau of the  
2 Census in compiling the most recent decennial cen-  
3 sus, in such form as those criteria have been up-  
4 dated by increases in the Consumer Price Index for  
5 all urban consumers, published by the Bureau of  
6 Labor Statistics.

7 “(4) OTHER CHILDREN TO BE COUNTED.—For  
8 purposes of this section, the Secretary shall deter-  
9 mine the number of children aged 5 to 17, inclusive,  
10 from families above the poverty level on the basis of  
11 the number of such children from families receiving  
12 an annual income, in excess of the current criteria  
13 of poverty, from payments under a State program  
14 funded under part A of title IV of the Social Secu-  
15 rity Act; and in making such determinations the  
16 Secretary shall utilize the criteria of poverty used by  
17 the Bureau of the Census in compiling the most re-  
18 cent decennial census for a family of 4 in such form  
19 as those criteria have been updated by increases in  
20 the Consumer Price Index for all urban consumers,  
21 published by the Bureau of Labor Statistics. The  
22 Secretary shall determine the number of children  
23 aged 5 through 17 living in institutions for neglected  
24 or delinquent children, or being supported in foster  
25 homes with public funds, on the basis of the case-

1 load data for the month of October of the preceding  
2 fiscal year (using, in the case of children described  
3 in the preceding sentence, the criteria of poverty and  
4 the form of such criteria required by such sentence  
5 which were determined for the calendar year pre-  
6 ceding such month of October) or, to the extent that  
7 such data are not available to the Secretary before  
8 January of the calendar year in which the Sec-  
9 retary's determination is made, then on the basis of  
10 the most recent reliable data available to the Sec-  
11 retary at the time of such determination. The Sec-  
12 retary of Health and Human Services shall collect  
13 and transmit the information required by this sub-  
14 paragraph to the Secretary not later than January  
15 1 of each year. For the purpose of this section, the  
16 Secretary shall consider all children who are in cor-  
17 rectional institutions to be living in institutions for  
18 delinquent children.

19 “(5) ESTIMATE.—When requested by the Sec-  
20 retary, the Secretary of Commerce shall make a spe-  
21 cial updated estimate of the number of children of  
22 such ages who are from families below the poverty  
23 level (as determined under subparagraph (A) of this  
24 paragraph) in each school district, and the Secretary  
25 is authorized to pay (either in advance or by way of

1 reimbursement) the Secretary of Commerce the cost  
2 of making this special estimate. The Secretary of  
3 Commerce shall give consideration to any request of  
4 the chief executive of a State for the collection of ad-  
5 ditional census information. For purposes of this  
6 section, the Secretary shall consider all children who  
7 are in correctional institutions to be living in institu-  
8 tions for delinquent children.

9 “(d) STATE MINIMUM.—Notwithstanding section  
10 1122, the aggregate amount allotted for all local edu-  
11 cational agencies within a State may not be less than the  
12 lesser of—

13 “(1) 0.25 percent of total grants under this sec-  
14 tion; or

15 “(2) the average of—

16 “(A) one-quarter of 1 percent of the total  
17 amount available for such fiscal year under this  
18 section; and

19 “(B) the number of children in such State  
20 counted under subsection (c) in the fiscal year  
21 multiplied by 150 percent of the national aver-  
22 age per pupil payment made with funds avail-  
23 able under this section for that year.

1 **“SEC. 1124A. CONCENTRATION GRANTS TO LOCAL EDU-**  
2 **CATIONAL AGENCIES.**

3 “(a) ELIGIBILITY FOR AND AMOUNT OF GRANTS.—

4 “(1) IN GENERAL.—(A) Except as otherwise  
5 provided in this paragraph, each local educational  
6 agency, in a State other than Guam, American  
7 Samoa, the Virgin Islands, the Commonwealth of  
8 the Northern Mariana Islands, and Palau, which is  
9 eligible for a grant under section 1124 for any fiscal  
10 year is eligible for an additional grant under this  
11 section for that fiscal year if the number of children  
12 counted under section 1124(c) in the agency exceeds  
13 either—

14 “(i) 6,500; or

15 “(ii) 15 percent of the total number of  
16 children aged 5 through 17 in the agency.

17 “(B) Notwithstanding section 1122, no State  
18 described in subparagraph (A) shall receive less than  
19 the lesser of—

20 “(i) 0.25 percent of total grants; or

21 “(ii) the average of—

22 “(I) one-quarter of 1 percent of the  
23 sums available to carry out this section for  
24 such fiscal year; and

25 “(II) the greater of—

26 “(aa) \$340,000; or

1                   “(bb) the number of children in  
2                   such State counted for purposes of  
3                   this section in that fiscal year multi-  
4                   plied by 150 percent of the national  
5                   average per pupil payment made with  
6                   funds available under this section for  
7                   that year.

8                   “(2) SPECIAL RULE.—For each county or local  
9                   educational agency eligible to receive an additional  
10                  grant under this section for any fiscal year the Sec-  
11                  retary shall determine the product of—

12                  “(A) the number of children counted under  
13                  section 1124(c) for that fiscal year; and

14                  “(B) the amount in section 1124(a)(1)(B)  
15                  for all States except Puerto Rico, and the  
16                  amount in section 1124(a)(3) for Puerto Rico.

17                  “(3) AMOUNT.—The amount of the additional  
18                  grant for which an eligible local educational agency  
19                  or county is eligible under this section for any fiscal  
20                  year shall be an amount which bears the same ratio  
21                  to the amount available to carry out this section for  
22                  that fiscal year as the product determined under  
23                  paragraph (2) for such local educational agency for  
24                  that fiscal year bears to the sum of such products

1 for all local educational agencies in the United  
2 States for that fiscal year.

3 “(4) LOCAL ALLOCATIONS.—(A) Grant  
4 amounts under this section shall be determined in  
5 accordance with section 1124(a) (2) and (3).

6 “(B) For any fiscal year for which the Sec-  
7 retary allocates funds under this section on the basis  
8 of counties, a State may reserve not more than 2  
9 percent of its allocation under this section for any  
10 fiscal year to make grants to local educational agen-  
11 cies that meet the criteria of paragraph (1)(A) (i) or  
12 (ii) but that are in ineligible counties.

13 “(b) STATES RECEIVING MINIMUM GRANTS.—In  
14 States that receive the minimum grant under subsection  
15 (a)(1)(B), the State educational agency shall allocate such  
16 funds among the local educational agencies in each State  
17 either—

18 “(1) in accordance with paragraphs (2) and (4)  
19 of subsection (a); or

20 “(2) based on their respective concentrations  
21 and numbers of children counted under section  
22 1124(c), except that only those local educational  
23 agencies with concentrations or numbers of children  
24 counted under section 1124(c) that exceed the state-  
25 wide average percentage of such children or the



1 statewide average number of such children shall re-  
2 ceive any funds on the basis of this paragraph.

3 **“SEC. 1125. TARGETED GRANTS TO LOCAL EDUCATIONAL**  
4 **AGENCIES.**

5 “(a) ELIGIBILITY OF LOCAL EDUCATIONAL AGEN-  
6 CIES.—A local educational agency in a State is eligible to  
7 receive a targeted grant under this section for any fiscal  
8 year if the number of children in the local educational  
9 agency counted under section 1124(c), before application  
10 of the weighting factor described in subsection (c), is at  
11 least 10, and if the number of children counted for grants  
12 under section 1124 is at least 5 percent of the total popu-  
13 lation aged 5 to 17 years, inclusive, in the local edu-  
14 cational agency. Funds made available as a result of ap-  
15 plying this subsection shall be reallocated by the State  
16 educational agency to other eligible local educational agen-  
17 cies in the State in proportion to the distribution of other  
18 funds under this section.

19 “(b) GRANTS FOR LOCAL EDUCATIONAL AGENCIES,  
20 THE DISTRICT OF COLUMBIA, AND PUERTO RICO.—

21 “(1) IN GENERAL.—The amount of the grant  
22 that a local educational agency in a State or that the  
23 District of Columbia is eligible to receive under this  
24 section for any fiscal year shall be the product of—

1           “(A) the weighted child count determined  
2           under subsection (c); and

3           “(B) the amount in section 1124(a)(1).

4           “(2) PUERTO RICO.—For each fiscal year, the  
5           amount of the grant for which the Commonwealth of  
6           Puerto Rico is eligible under this section shall be  
7           equal to the number of children counted under sub-  
8           section (c) for Puerto Rico, multiplied by the  
9           amount determined in section 1124(a)(3).

10          “(c) WEIGHTED CHILD COUNT.—

11           “(1) WEIGHTS FOR ALLOCATIONS TO COUN-  
12          TRIES.—

13           “(A) IN GENERAL.—For each fiscal year  
14           for which the Secretary uses county population  
15           data to calculate grants, the weighted child  
16           count used to determine a county’s allocation  
17           under this section is the larger of the 2  
18           amounts determined under clause (i) or (ii), as  
19           follows:

20           “(i) BY PERCENTAGE OF CHIL-  
21           DREN.—This amount is determined by  
22           adding—

23           “(I) the number of children de-  
24           termined under section 1124(c) for  
25           that county constituting up to 12.20

1 percent, inclusive, of the county's total  
2 population aged 5 to 17, inclusive,  
3 multiplied by 1.0;

4 “(II) the number of such children  
5 constituting more than 12.20 percent,  
6 but not more than 17.70 percent, of  
7 such population, multiplied by 1.75;

8 “(III) the number of such chil-  
9 dren constituting more than 17.70  
10 percent, but not more than 22.80 per-  
11 cent, of such population, multiplied by  
12 2.5;

13 “(IV) the number of such chil-  
14 dren constituting more than 22.80  
15 percent, but not more than 29.70 per-  
16 cent, of such population, multiplied by  
17 3.25; and

18 “(V) the number of such children  
19 constituting more than 29.70 percent  
20 of such population, multiplied by 4.0.

21 “(ii) BY NUMBER OF CHILDREN.—

22 This amount is determined by adding—

23 “(I) the number of children de-  
24 termined under section 1124(c) con-  
25 stituting up to 1,917, inclusive, of the

1 county's total population aged 5 to  
2 17, inclusive, multiplied by 1.0;

3 “(II) the number of such children  
4 between 1,918 and 5,938, inclusive, in  
5 such population, multiplied by 1.5;

6 “(III) the number of such chil-  
7 dren between 5,939 and 20,199, inclu-  
8 sive, in such population, multiplied by  
9 2.0;

10 “(IV) the number of such chil-  
11 dren between 20,200 and 77,999, in-  
12 clusive, in such population, multiplied  
13 by 2.5; and

14 “(V) the number of such children  
15 in excess of 77,999 in such popu-  
16 lation, multiplied by 3.0.

17 “(B) PUERTO RICO.—Notwithstanding  
18 subparagraph (A), the weighting factor for  
19 Puerto Rico under this paragraph shall not be  
20 greater than the total number of children  
21 counted under section 1124(c) multiplied by  
22 1.72.

23 (2) WEIGHTS FOR ALLOCATIONS TO LOCAL  
24 EDUCATIONAL AGENCIES.—

1 (A) IN GENERAL.—For each fiscal year for  
2 which the Secretary uses local educational agen-  
3 cy data, the weighted child count used to deter-  
4 mine a local educational agency’s grant under  
5 this section is the larger of the 2 amounts de-  
6 termined under clauses (i) and (ii), as follows:

7 (i) BY PERCENTAGE OF CHILDREN.—

8 This amount is determined by adding—

9 (I) the number of children deter-  
10 mined under section 1124(c) for that  
11 local educational agency constituting  
12 up to 14.265 percent, inclusive, of the  
13 agency’s total population aged 5 to  
14 17, inclusive, multiplied by 1.0;

15 (II) the number of such children  
16 constituting more than 14.265 per-  
17 cent, but not more than 21.553 per-  
18 cent, of such population, multiplied by  
19 1.75;

20 (III) the number of such children  
21 constituting more than 21.553 per-  
22 cent, but not more than 29.223 per-  
23 cent, of such population, multiplied by  
24 2.5;

1 (IV) the number of such children  
2 constituting more than 29.223 per-  
3 cent, but not more than 36.538 per-  
4 cent, of such population, multiplied by  
5 3.25; and

6 (V) the number of such children  
7 constituting more than 36.538 percent  
8 of such population, multiplied by 4.0.

9 (ii) BY NUMBER OF CHILDREN.—This  
10 amount is determined by adding—

11 (I) the number of children deter-  
12 mined under section 1124(c) consti-  
13 tuting up to 575, inclusive, of the  
14 agency's total population aged 5 to  
15 17, inclusive, multiplied by 1.0;

16 (II) the number of such children  
17 between 576 and 1,870, inclusive, in  
18 such population, multiplied by 1.5;

19 (III) the number of such children  
20 between 1,871 and 6,910, inclusive, in  
21 such population, multiplied by 2.0;

22 (IV) the number of such children  
23 between 6,911 and 42,000, inclusive,  
24 in such population, multiplied by 2.5;  
25 and

1 (V) the number of such children  
2 in excess of 42,000 in such popu-  
3 lation, multiplied by 3.0.

4 (B) PUERTO RICO.—Notwithstanding sub-  
5 paragraph (A), the weighting factor for Puerto  
6 Rico under this paragraph shall not be greater  
7 than the total number of children counted  
8 under section 1124(c) multiplied by 1.72.

9 “(d) CALCULATION OF GRANT AMOUNTS.— Grants  
10 under this section shall be calculated in accordance with  
11 section 1124(a) (2) and (3).

12 “(e) STATE MINIMUM.—Notwithstanding any other  
13 provision of this section or section 1122, from the total  
14 amount available for any fiscal year to carry out this sec-  
15 tion, each State shall be allotted at least the lesser of—

16 “(1) 0.25 percent of total appropriations; or

17 “(2) the average of—

18 “(A) one-quarter of 1 percent of the total  
19 amount available to carry out this section; and

20 “(B) 150 percent of the national average  
21 grant under this section per child described in  
22 section 1124(c), without application of a  
23 weighting factor, multiplied by the State’s total  
24 number of children described in section

1           1124(c), without application of a weighting fac-  
2           tor.

3   **“SEC. 1125A. EDUCATION FINANCE INCENTIVE PROGRAM.**

4           “(a) GRANTS.—The Secretary is authorized to make  
5   grants to States from the sums appropriated pursuant to  
6   subsection (e) to carry out the purposes of this part.

7           “(b) DISTRIBUTION BASED UPON FISCAL EFFORT  
8   AND EQUITY.—

9           “(1) IN GENERAL.—Funds appropriated pursu-  
10   ant to subsection (e) shall be allotted to each State  
11   based upon the number of children aged 5 to 17, in-  
12   clusive, of such State multiplied by the product of—

13                   “(A) such State’s effort factor described in  
14                   paragraph (2); multiplied by

15                   “(B) 1.30 minus such State’s equity factor  
16                   described in paragraph (3), except that for each  
17                   fiscal year no State shall receive less than  $\frac{1}{4}$  of  
18                   1 percent of the total amount appropriated pur-  
19                   suant to subsection (e) for such fiscal year.

20           “(2) EFFORT FACTOR.—(A) Except as provided  
21   in subparagraph (B), the effort factor for a State  
22   shall be determined in accordance with the suc-  
23   ceeding sentence, except that such factor shall not  
24   be less than .95 nor greater than 1.05. The effort  
25   factor determined under this sentence shall be a



1 fraction the numerator of which is the product of  
2 the 3-year average per-pupil expenditure in the State  
3 multiplied by the 3-year average per capita income  
4 in the United States and the denominator of which  
5 is the product of the 3-year average per capita in-  
6 come in such State multiplied by the 3-year average  
7 per-pupil expenditure in the United States.

8 “(B) The effort factor for the Commonwealth  
9 of Puerto Rico shall be equal to the lowest effort  
10 factor calculated under subparagraph (A) for any  
11 State.

12 “(3) EQUITY FACTOR.—(A)(i) Except as pro-  
13 vided in subparagraph (B), the Secretary shall de-  
14 termine the equity factor under this section for each  
15 State in accordance with clause (ii).

16 “(ii)(I) For each State, the Secretary shall com-  
17 pute a weighted coefficient of variation for the per-  
18 pupil expenditures of local educational agencies in  
19 accordance with subclauses (II), (III), (IV), and (V).

20 “(II) In computing coefficients of variation, the  
21 Secretary shall weigh the variation between per-pupil  
22 expenditures in each local educational agency and  
23 the average per-pupil expenditures in the State ac-  
24 cording to the number of pupils in the local edu-  
25 cational agency.

1           “(III) In determining the number of pupils  
2           under this paragraph in each local educational agen-  
3           cy and each State, the Secretary shall multiply the  
4           number of children from low-income families by 1.4  
5           under this paragraph.

6           “(IV) In computing coefficients of variation, the  
7           Secretary shall include only those local educational  
8           agencies with an enrollment of more than 200 stu-  
9           dents.

10          “(V) The Secretary shall compute separate co-  
11          efficients of variation for elementary, secondary, and  
12          unified local educational agencies and shall combine  
13          such coefficients into a single weighted average coef-  
14          ficient for the State by multiplying each coefficient  
15          by the total enrollments of the local educational  
16          agencies in each group, adding such products, and  
17          dividing such sum by the total enrollments of the  
18          local educational agencies in the State.

19          “(B) The equity factor for a State that meets  
20          the disparity standard described in section 222.63 of  
21          title 34, Code of Federal Regulations (as such sec-  
22          tion was in effect on the day preceding the date of  
23          enactment of this Act) or a State with only 1 local  
24          educational agency shall be not greater than 0.10.

1           “(C) The Secretary may revise each State’s eq-  
2           uity factor as necessary based on the advice of inde-  
3           pendent education finance scholars to reflect other  
4           need-based costs of local educational agencies in ad-  
5           dition to low-income student enrollment, such as dif-  
6           fering geographic costs, costs associated with stu-  
7           dents with disabilities, children with limited English  
8           proficiency or other meaningful educational needs,  
9           which deserve additional support. In addition and  
10          also with the advice of independent education fi-  
11          nance scholars, the Secretary may revise each  
12          State’s equity factor to incorporate other valid and  
13          accepted methods to achieve adequacy of educational  
14          opportunity that may not be reflected in a coefficient  
15          of variation method.

16          “(c) USE OF FUNDS.—All funds awarded to each  
17          State under this section shall be allocated to local edu-  
18          cational agencies and schools on a basis consistent with  
19          the distribution of other funds to such agencies and  
20          schools under sections 1124, 1124A, and 1125 to carry  
21          out activities under this part.

22          “(d) MAINTENANCE OF EFFORT.—

23                 “(1) IN GENERAL.—Except as provided in para-  
24                 graph (2), a State is entitled to receive its full allot-  
25                 ment of funds under this part for any fiscal year if

1 the Secretary finds that either the combined fiscal  
2 effort per student or the aggregate expenditures  
3 within the State with respect to the provision of free  
4 public education for the fiscal year preceding the fis-  
5 cal year for which the determination is made was  
6 not less than 90 percent of such combined fiscal ef-  
7 fort or aggregate expenditures for the second fiscal  
8 year preceding the fiscal year for which the deter-  
9 mination is made.

10 “(2) REDUCTION OF FUNDS.—The Secretary  
11 shall reduce the amount of the funds awarded to any  
12 State under this section in any fiscal year in the  
13 exact proportion to which the State fails to meet the  
14 requirements of paragraph (1) by falling below 90  
15 percent of both the fiscal effort per student and ag-  
16 gregate expenditures (using the measure most favor-  
17 able to the State), and no such lesser amount shall  
18 be used for computing the effort required under  
19 paragraph (1) for subsequent years.

20 “(3) WAIVERS.—The Secretary may waive, for  
21 1 fiscal year only, the requirements of this sub-  
22 section if the Secretary determines that such a waiv-  
23 er would be equitable due to exceptional or uncon-  
24 trollable circumstances such as a natural disaster or

1 a precipitous and unforeseen decline in the financial  
2 resources of the State.

3 “(e) AUTHORIZATION OF APPROPRIATIONS.—For the  
4 purpose of making grants under this section, there are au-  
5 thorized to be appropriated \$200,000,000 for fiscal year  
6 2002 and such sums as may be necessary for each of the  
7 4 succeeding fiscal years.

8 **“SEC. 1126. SPECIAL ALLOCATION PROCEDURES.**

9 “(a) ALLOCATIONS FOR NEGLECTED CHILDREN.—

10 “(1) IN GENERAL.—If a State educational  
11 agency determines that a local educational agency in  
12 the State is unable or unwilling to provide for the  
13 special educational needs of children who are living  
14 in institutions for neglected or delinquent children as  
15 described in section 1124(c)(1)(B), the State edu-  
16 cational agency shall, if such agency assumes re-  
17 sponsibility for the special educational needs of such  
18 children, receive the portion of such local educational  
19 agency’s allocation under sections 1124, 1124A, and  
20 1125 that is attributable to such children.

21 “(2) SPECIAL RULE.—If the State educational  
22 agency does not assume such responsibility, any  
23 other State or local public agency that does assume  
24 such responsibility shall receive that portion of the  
25 local educational agency’s allocation.

1       “(b) ALLOCATIONS AMONG LOCAL EDUCATIONAL  
2 AGENCIES.—The State educational agency may allocate  
3 the amounts of grants under sections 1124, 1124A, and  
4 1125 among the affected local educational agencies—

5               “(1) if 2 or more local educational agencies  
6 serve, in whole or in part, the same geographical  
7 area;

8               “(2) if a local educational agency provides free  
9 public education for children who reside in the  
10 school district of another local educational agency;  
11 or

12               “(3) to reflect the merger, creation, or change  
13 of boundaries of 1 or more local educational agen-  
14 cies.

15       “(c) REALLOCATION.—If a State educational agency  
16 determines that the amount of a grant that a local edu-  
17 cational agency would receive under sections 1124, 1124A,  
18 and 1125 is more than such local agency will use, the  
19 State educational agency shall make the excess amount  
20 available to other local educational agencies in the State  
21 that need additional funds in accordance with criteria es-  
22 tablished by the State educational agency.”.

1 **SEC. 122. PARTICIPATION OF CHILDREN ENROLLED IN PRI-**  
2 **VATE SCHOOLS.**

3 (a) GENERAL REQUIREMENT.—Subsection (a) of sec-  
4 tion 1120 (20 U.S.C. 6321(a)) is amended to read as fol-  
5 lows:

6 “(a) GENERAL REQUIREMENT.—

7 “(1) IN GENERAL.—To the extent consistent  
8 with the number of eligible children identified under  
9 section 1115(b) in a local educational agency who  
10 are enrolled in private elementary and secondary  
11 schools, a local educational agency shall, after timely  
12 and meaningful consultation with appropriate pri-  
13 vate school officials, provide such children, on an eq-  
14 uitable basis, special educational services or other  
15 benefits under this part (such as dual enrollment,  
16 educational radio and television, computer equip-  
17 ment and materials, other technology, and mobile  
18 educational services and equipment) that address  
19 their needs, and shall ensure that teachers and fami-  
20 lies of these students participate, on an equitable  
21 basis, in services and activities developed pursuant  
22 to sections 1118 and 1119A.

23 “(2) SECULAR, NEUTRAL, NONIDEOLOGICAL.—  
24 Such educational services or other benefits, including  
25 materials and equipment, shall be secular, neutral,  
26 and nonideological.

1           “(3) EQUITY.—Educational services and other  
2           benefits for such private school children shall be eq-  
3           uitable in comparison to services and other benefits  
4           for public school children participating under this  
5           part, and shall be provided in a timely manner.

6           “(4) EXPENDITURES.—Expenditures for edu-  
7           cational services and other benefits to eligible private  
8           school children shall be equal to the proportion of  
9           funds allocated to participating school attendance  
10          areas based on the number of children from low-in-  
11          come families who attend private schools, which the  
12          local educational agency may determine each year or  
13          every 2 years.

14          “(5) PROVISION OF SERVICES.—The local edu-  
15          cational agency shall provide services under this sec-  
16          tion directly or through contracts with public and  
17          private agencies, organizations, and institutions.”.

18          (b) CONSULTATION.—Subsection (b) of section 1120  
19 (20 U.S.C. 6321(b)) is amended to read as follows:

20          “(b) CONSULTATION.—

21               “(1) IN GENERAL.—To ensure timely and  
22               meaningful consultation, a local educational agency  
23               shall consult with appropriate private school officials  
24               during the design and development of such agency’s  
25               programs under this part, on issues such as—



1           “(A) how the children’s needs will be iden-  
2           tified;

3           “(B) what services will be offered;

4           “(C) how, where, and by whom the services  
5           will be provided;

6           “(D) how the services will be assessed and  
7           how the results of that assessment will be used  
8           to improve those services;

9           “(E) the size and scope of the equitable  
10          services to be provided to the eligible private  
11          school children, and the amount of funds gen-  
12          erated by low-income private school children in  
13          each participating attendance area;

14          “(F) the method or sources of data that  
15          are used under subsection (a)(4) and section  
16          1113(c)(2) to determine the number of children  
17          from low-income families in participating school  
18          attendance areas who attend private schools;  
19          and

20          “(G) how and when the agency will make  
21          decisions about the delivery of services to such  
22          children, including a thorough consideration  
23          and analysis of the views of the private school  
24          officials on the provision of contract services  
25          through potential third party providers. If the

1           local educational agency disagrees with the  
2           views of the private school officials on the provi-  
3           sion of services, through a contract, the local  
4           educational agency shall provide in writing to  
5           such private school officials, an analysis of the  
6           reasons why the local educational agency has  
7           chosen not to use a contractor.

8           “(2) TIMING.—Such consultation shall include  
9           meetings of agency and private school officials and  
10          shall occur before the local educational agency  
11          makes any decision that affects the opportunities of  
12          eligible private school children to participate in pro-  
13          grams under this part. Such meetings shall continue  
14          throughout implementation and assessment of serv-  
15          ices provided under this section.

16          “(3) DISCUSSION.—Such consultation shall in-  
17          clude a discussion of service delivery mechanisms a  
18          local educational agency can use to provide equitable  
19          services to eligible private school children.

20          “(4) DOCUMENTATION.—Each local educational  
21          agency shall provide to the State educational agency,  
22          and maintain in its records, a written affirmation  
23          signed by officials of each participating private  
24          school that the consultation required by this section  
25          has occurred.

1           “(5) COMPLIANCE.—Private school officials  
2       shall have the right to appeal to the State as to  
3       whether the consultation provided for in this section  
4       was meaningful and timely, and that due consider-  
5       ation was given to the views of private school offi-  
6       cials. If the private school wishes to appeal, the basis  
7       of the claim of noncompliance with this section by  
8       the local educational agencies shall be provided to  
9       the State, and the local educational agency shall for-  
10      ward the documentation provided in subsection  
11      (b)(3) to the State.”.

12       (c) STANDARDS FOR BYPASS.—Subsection (d) of sec-  
13      tion 1120 (20 U.S.C. 6321(d)) is amended to read as fol-  
14      lows:

15       “(d) STANDARDS FOR A BYPASS.—If a local edu-  
16      cational agency is prohibited by law from providing for  
17      the participation on an equitable basis of eligible children  
18      enrolled in private elementary and secondary schools or  
19      if the Secretary determines that a local educational agency  
20      has substantially failed or is unwilling to provide for such  
21      participation, as required by this section, the Secretary  
22      shall—

23           “(1) waive the requirements of this section for  
24      such local educational agency;

1 “(2) arrange for the provision of services to  
 2 such children through arrangements that shall be  
 3 subject to the requirements of this section and sec-  
 4 tions 14505 and 14506; and

5 “(3) in making the determination, consider one  
 6 or more factors, including the quality, size, scope,  
 7 and location of the program and the opportunity of  
 8 eligible children to participate.”.

9 (d) CAPITAL EXPENSES.—Effective September 30,  
 10 2002, subsection (e) of section 1120 (20 U.S.C. 6321(e))  
 11 is hereby repealed.

12 **PART B—EVEN START FAMILY LITERACY**  
 13 **PROGRAMS**

14 **SEC. 131. PROGRAM AUTHORIZED.**

15 Section 1202(c) (20 U.S.C. 6362(c)) is amended—

16 (1) in paragraph (1), by striking “subsection  
 17 and for which” and all that follows through “,  
 18 whichever is less, to award grants,” and inserting  
 19 “subsection, from funds reserved under section  
 20 7004(c), the Secretary shall award grants,”;

21 (2) by striking paragraph (2)(C); and

22 (3) in paragraph (3)—

23 (A) by striking “is defined” and inserting  
 24 “was defined”; and

1 (B) by inserting “as such section was in  
2 effect on the day preceding the date of enact-  
3 ment of the Public Education Reinvestment,  
4 Reinvention, and Responsibility Act” after  
5 “2252”.

6 **SEC. 132. APPLICATIONS.**

7 Section 1207(c)(1)(F) (20 U.S.C. 6367(c)(1)(F)) is  
8 amended by striking “14306” and inserting “8305”.

9 **SEC. 133. RESEARCH.**

10 Section 1211(c) (20 U.S.C. 6396b(c)) is amended to  
11 read as follows:

12 “(c) DISSEMINATION.—The Secretary shall dissemi-  
13 nate, or designate another entity to disseminate, the re-  
14 sults of the research described in subsection (a) to States  
15 and recipients of subgrants under this part.”.

16 **PART C—EDUCATION OF MIGRATORY CHILDREN**

17 **SEC. 141. STATE ALLOCATIONS.**

18 Section 1303 of the Elementary and Secondary Edu-  
19 cation Act of 1965 (20 U.S.C. 6393) is amended—

20 (1) by amending subsection (a) to read as follows:

21 “(a) STATE ALLOCATIONS.—

22 “(1) FISCAL YEAR 2002.—For fiscal year 2002,  
23 each State (other than the Commonwealth of Puerto  
24 Rico) is entitled to receive under this part an  
25 amount equal to—

“(A) the sum of the estimated number of migratory children aged three through 21 who reside in the State full time and the full-time equivalent of the estimated number of migratory children aged three through 21 who reside in the State part time, as determined in accordance with subsection (e); multiplied by

“(B) 40 percent of the average per-pupil expenditure in the State, except that the amount determined under this paragraph shall not be less than 32 percent, nor more than 48 percent, of the average expenditure per pupil in the United States.

“(2) SUBSEQUENT YEARS.—

“(A) BASE AMOUNT.—

“(i) IN GENERAL.—Except as provided in subsection (b) and clause (ii), each State is entitled to receive under this part, for fiscal year 2003 and succeeding fiscal years, an amount equal to—

“(I) the amount that such State received under this part for fiscal year 2001; plus

“(II) the amount allocated to the State under subparagraph (B).

1                   “(ii) NONPARTICIPATING STATES.—In  
2                   the case of a State (other than the Com-  
3                   monwealth of Puerto Rico) that did not re-  
4                   ceive any funds for fiscal year 2001 under  
5                   this part, the State shall receive, for fiscal  
6                   year 2002 and succeeding fiscal years, an  
7                   amount equal to—

8                   “(I) the amount that such State  
9                   would have received under this part  
10                  for fiscal year 2001 if its application  
11                  under section 1304 for the year had  
12                  been approved; plus

13                  “(II) the amount allocated to the  
14                  State under subparagraph (B).

15                  “(B) ALLOCATION OF ADDITIONAL  
16                  AMOUNT.—For fiscal year 2002 and succeeding  
17                  fiscal years, the amount (if any) by which the  
18                  funds appropriated to carry out this part for  
19                  the year exceed such funds for fiscal year 2001  
20                  shall be allocated to a State (other than the  
21                  Commonwealth of Puerto Rico) so that the  
22                  State receives an amount equal to—

23                  “(i) the sum of—

24                  “(I) the number of identified eli-  
25                  gible migratory children, aged 3

1 through 21, residing in the State dur-  
 2 ing the previous year; and

3 “(II) the number of identified eli-  
 4 gible migratory children, aged 3  
 5 through 21, who received services  
 6 under this part in summer or interses-  
 7 sion programs provided by the State  
 8 during such year; multiplied by

9 “(ii) 40 percent of the average per-  
 10 pupil expenditure in the State, except that  
 11 the amount determined under this clause  
 12 may not be less than 32 percent, or more  
 13 than 48 percent, of the average expendi-  
 14 ture per-pupil in the United States.”;

15 (2) by amending subsection (b) to read as fol-  
 16 lows:

17 “(b) ALLOCATION TO PUERTO RICO.—

18 “(1) FISCAL YEAR 2002.—For fiscal year 2002,  
 19 the grant which the Commonwealth of Puerto Rico  
 20 shall be eligible to receive under this section shall be  
 21 the amount determined by multiplying the number  
 22 of children counted under subsection (a)(1)(A) for  
 23 the Commonwealth of Puerto Rico by the product  
 24 of—



1           “(A) the percentage which the average per  
2           pupil expenditure in the Commonwealth of  
3           Puerto Rico is of the lowest average per pupil  
4           expenditure of any of the 50 States; and

5           “(B) 32 percent of the average per pupil  
6           expenditure in the United States.

7           “(2) SUBSEQUENT FISCAL YEARS.—For each  
8           fiscal year after fiscal year 2002, the grant which  
9           the Commonwealth of Puerto Rico shall be eligible  
10          to receive under this section shall be the amount de-  
11          termined by multiplying the number of children  
12          counted under subsection (a)(2)(B)(i)(I) and  
13          (a)(2)(B)(i)(II) for the Commonwealth of Puerto  
14          Rico during the previous fiscal year, by the product  
15          of—

16           “(A) the percentage which the average per  
17           pupil expenditure in the Commonwealth of  
18           Puerto Rico is of the lowest average per pupil  
19           expenditure of any of the 50 States; and

20           “(B) 32 percent of the average per pupil  
21           expenditure in the United States.

22           “(3) MINIMUM ALLOCATION.—

23           “(A) FISCAL YEAR 2003.—The percentage  
24           in paragraph (1)(A) shall not be less than 75.0  
25           percent.

1           “(B) SUBSEQUENT FISCAL YEARS.—The  
 2           percentage in paragraph (2)(A) shall not be less  
 3           than—

4                     “(i) for fiscal year 2002, 77.5 percent;

5                     “(ii) for fiscal year 2003, 80.0 per-  
 6                     cent;

7                     “(iii) for fiscal year 2004, 82.5 per-  
 8                     cent; and

9                     “(iv) for fiscal year 2005 and suc-  
 10                    ceeding fiscal years, 85.0 percent.

11           “(4) SPECIAL RULE.—If the application of  
 12           paragraph (3) would result in any of the 50 States  
 13           or the District of Columbia receiving less under this  
 14           part than it recieved under this part for the pre-  
 15           ceding fiscal year, the percentage in paragraph (1)  
 16           or (2), respectively, shall be the greater of the per-  
 17           centage in paragraph (1)(A) or (2)(A) the percent-  
 18           age used for the preceding fiscal year.”; and

19                   (3) by striking subsections (d) and (e).

20   **SEC. 142. STATE APPLICATIONS; SERVICES.**

21           (a) PROGRAM INFORMATION.—Section 1304(b) of  
 22   the Elementary and Secondary Education Act of 1965 (20  
 23   U.S.C. 6394(b)) is amended—

1           (1) in paragraph (1), by striking “addressed  
2           through” and all that follows through the semicolon  
3           at the end and inserting the following:

4           “addressed through—

5                   “(A) the full range of services that are  
6                   available for migratory children from appro-  
7                   priate local, State, and Federal educational pro-  
8                   grams;

9                   “(B) joint planning among local, State,  
10                  and Federal educational programs serving mi-  
11                  grant children, including programs under parts  
12                  A and C of title VII;

13                  “(C) the integration of services available  
14                  under this part with services provided by those  
15                  other programs; and

16                  “(D) measurable program goals and out-  
17                  comes;”;

18           (2) in paragraph (5), by striking “the require-  
19           ments of paragraph (1); and” and inserting “the  
20           numbers and needs of migratory children, the re-  
21           quirements of subsection (d), and the availability of  
22           funds from other Federal, State, and local pro-  
23           grams;”;

24           (3) in paragraph (6), by striking the period at  
25           the end and inserting “; and”; and

1 (4) by adding at the end the following:

2 “(7) a description of how the State will encour-  
3 age programs and projects assisted under this part  
4 to offer family literacy services if the program or  
5 project serves a substantial number of migratory  
6 children who have parents who do not have a high  
7 school diploma or its recognized equivalent or who  
8 have low levels of literacy.”.

9 (b) ASSURANCES.—Section 1304(c) of the Elemen-  
10 tary and Secondary Education Act of 1965 (20 U.S.C.  
11 6394(c)) is amended—

12 (1) in paragraph (1), by striking “1306(b)(1);”  
13 and inserting “1306(a);”;

14 (2) in paragraph (3)—

15 (A) by striking “appropriate”;

16 (B) by striking “out, to the extent fea-  
17 sible,” and inserting “out”; and

18 (C) by striking “1118;” and inserting  
19 “1118, unless extraordinary circumstances  
20 make implementation consistent with such sec-  
21 tion impractical;”; and

22 (3) in paragraph (7), by striking “section  
23 1303(e)” and inserting “paragraphs (1)(A) and  
24 (2)(B)(i) of section 1303(a)”.

1 **SEC. 143. AUTHORIZED ACTIVITIES.**

2 Section 1306 of the Elementary and Secondary Edu-  
3 cation Act of 1965 (20 U.S.C. 6396) is amended to read  
4 as follows:

5 **“SEC. 1306. AUTHORIZED ACTIVITIES.**

6 “(a) IN GENERAL.—

7 “(1) FLEXIBILITY.—Each State educational  
8 agency, through its local educational agencies, shall  
9 have the flexibility to determine the activities to be  
10 provided with funds made available under this part,  
11 except that such funds shall first be used to meet  
12 the identified needs of migratory children that result  
13 from their migratory lifestyle, and to permit these  
14 children to participate effectively in school.

15 “(2) UNADDRESSED NEEDS.—Funds provided  
16 under this part shall be used to address the needs  
17 of migratory children that are not addressed by serv-  
18 ices available from other Federal or non-Federal  
19 programs, except that migratory children who are el-  
20 ible to receive services under part A of this title  
21 may receive those services through funds provided  
22 under that part, or through funds under this part  
23 that remain after the agency addresses the needs de-  
24 scribed in paragraph (1).

25 “(b) CONSTRUCTION.—Nothing in this part shall be  
26 construed to prohibit a local educational agency from serv-

1 ing migratory children simultaneously with students with  
 2 similar educational needs in the same educational settings,  
 3 where appropriate.

4 “(c) SPECIAL RULE.—Notwithstanding section 1114,  
 5 a school that receives funds under this part shall continue  
 6 to address the identified needs described in subsection  
 7 (a)(1).”.

8 **SEC. 144. COORDINATION OF MIGRANT EDUCATION ACTIVI-**  
 9 **TIES.**

10 (a) DURATION.—Section 1308(a)(2) of the Elemen-  
 11 tary and Secondary Education Act of 1965 (20 U.S.C.  
 12 6398(a)(2)) is amended by striking “subpart” and insert-  
 13 ing “subsection”.

14 (b) STUDENT RECORDS.—Section 1308(b) of the El-  
 15 ementary and Secondary Education Act of 1965 (20  
 16 U.S.C. 6398(b)) is amended to read as follows:

17 “(b) ESTABLISHING ACCESS TO INFORMATION ON  
 18 MIGRANT STUDENTS.—

19 “(1) The Secretary shall establish a system for  
 20 electronically exchanging, among the States, health  
 21 and educational information on all students served  
 22 under this part. Such information may include—

23 “(A) immunization records and other  
 24 health information;

1           “(B) elementary and secondary academic  
2           history (including partial credit), credit accrual,  
3           and results from State assessments required  
4           under this title;

5           “(C) other academic information essential  
6           to ensuring that migrant children achieve to  
7           high standards; and

8           “(D) eligibility for services under the Indi-  
9           viduals with Disabilities Education Act.

10          “(2) The Secretary shall publish, not later than  
11          120 days after enactment of the Public Education  
12          Reinvestment, Reinvention, and Responsibility Act  
13          (Three R’s), a notice in the Federal Register seeking  
14          public comment on the proposed data elements that  
15          each State receiving funds under this part shall be  
16          required to collect for purposes of electronic transfer  
17          of migrant student information, the requirements for  
18          immediate electronic access to such information, and  
19          the educational agencies eligible to access such infor-  
20          mation.

21          “(3) Such system of electronic access to mi-  
22          grant student information shall be operational no  
23          later than 1 year after enactment of this Act.

24          “(4) For the purpose of carrying out this sub-  
25          section in any fiscal year, the Secretary shall reserve

1 not more than \$10,000,000 of the amount appro-  
 2 priated to carry out this part for such year.”.

3 (c) AVAILABILITY OF FUNDS.—Section 1308(c) of  
 4 the Elementary and Secondary Education Act of 1965 (20  
 5 U.S.C. 6398(c)) is amended by striking “\$6,000,000” and  
 6 inserting “\$10,000,000”.

7 (d) INCENTIVE GRANTS.—Section 1308(d) of the El-  
 8 ementary and Secondary Education Act of 1965 (20  
 9 U.S.C. 6398(d)) is amended to read as follows:

10 “(d) INCENTIVE GRANTS.—From the amounts made  
 11 available to carry out this section for any fiscal year, the  
 12 Secretary may reserve not more than \$3,000,000 to award  
 13 grants of not more than \$250,000 on a competitive basis  
 14 to State educational agencies that propose a consortium  
 15 arrangement with another State or other appropriate enti-  
 16 ty that the Secretary determines, pursuant to criteria that  
 17 the Secretary shall establish, will improve the delivery of  
 18 services to migratory children whose education is inter-  
 19 rupted.”.

## 20 **PART D—NEGLECTED OR DELINQUENT YOUTH**

### 21 **SEC. 151. NEGLECTED OR DELINQUENT YOUTH.**

22 The heading for part D of title I is amended to read  
 23 as follows:



1 **“PART D—PREVENTION AND INTERVENTION**  
2 **PROGRAMS FOR NEGLECTED OR DELIN-**  
3 **QUENT CHILDREN AND YOUTH”.**

4 **SEC. 152. FINDINGS.**

5 Section 1401(a) is amended by striking paragraphs  
6 (6) through (9) and adding the following:

7 “(6) Youth returning from correctional facilities  
8 need to be involved in programs that provide them  
9 with high level skills and other support to help them  
10 stay in school and complete their education.

11 “(7) Pregnant and parenting teenagers are a  
12 high at-risk group for dropping out of school and  
13 should be targeted by dropout prevention pro-  
14 grams.”.

15 **SEC. 153. ALLOCATION OF FUNDS.**

16 Section 1412(b) is amended to read as follows:

17 “(b) SUBGRANTS TO STATE AGENCIES IN PUERTO  
18 RICO.—

19 “(1) IN GENERAL.—For each fiscal year, the  
20 amount of the subgrant for which a State agency in  
21 the Commonwealth of Puerto Rico shall be eligible  
22 to receive under this part shall be the amount deter-  
23 mined by multiplying the number of children count-  
24 ed under subparagraph (a)(1)(A) for the Common-  
25 wealth of Puerto Rico by the product of—

1           “(A) the percentage which the average per  
 2           pupil expenditure in the Commonwealth of  
 3           Puerto Rico is of the lowest average per pupil  
 4           expenditure of any of the 50 States; and

5           “(B) 32 percent of the average per pupil  
 6           expenditure in the United States.

7           “(2) MINIMUM ALLOCATION.—The percentage  
 8           in paragraph (1)(A) shall not be less than—

9           “(A) for fiscal year 2002, 75.0 percent;

10          “(B) for fiscal year 2003, 77.5 percent;

11          “(C) for fiscal year 2004, 80.0 percent;

12          “(D) for fiscal year 2005, 82.5 percent;

13          and

14          “(E) for fiscal year 2006 and succeeding  
 15          fiscal years, 85.0 percent.

16          “(3) SPECIAL RULE.—If the application of  
 17          paragraph (2) would result in any of the 50 States  
 18          or the District of Columbia receiving less under this  
 19          part than it received under this part for the pre-  
 20          ceding fiscal year, the percentage in paragraph (1)  
 21          shall be the greater of the percentage in paragraph  
 22          (1)(A) or the percentage used for the preceding fis-  
 23          cal year.”.

24   **SEC. 154. STATE PLAN AND STATE AGENCY APPLICATIONS.**

25          Section 1414 is amended to read as follows:

1 **“SEC. 1414. STATE PLAN AND STATE AGENCY APPLICA-**  
2 **TIONS.**

3 “(a) STATE PLAN.—

4 “(1) IN GENERAL.—Each State educational  
5 agency that desires to receive a grant under this  
6 part shall submit, for approval by the Secretary, a  
7 plan for meeting the educational needs of neglected  
8 and delinquent youth, for assisting in their transi-  
9 tion from institutions to locally operated programs,  
10 and which is integrated with other programs under  
11 this Act or other Acts, as appropriate, consistent  
12 with section 14306.

13 “(2) CONTENTS.—Each such State plan shall—

14 “(A) describe the program goals, objec-  
15 tives, and performance measures established by  
16 the State that will be used to assess the effec-  
17 tiveness of the program in improving academic  
18 and vocational and technical skills of children in  
19 the program;

20 “(B) provide that, to the extent feasible,  
21 such children will have the same opportunities  
22 to learn as such children would have if such  
23 children were in the schools of local educational  
24 agencies in the State; and

25 “(C) contain assurances that the State  
26 educational agency will—

1 “(i) ensure that programs assisted  
2 under this part will be carried out in ac-  
3 cordance with the State plan described in  
4 this subsection;

5 “(ii) carry out the evaluation require-  
6 ments of section 1416;

7 “(iii) ensure that the State agencies  
8 receiving subgrants under this subpart  
9 comply with all applicable statutory and  
10 regulatory requirements; and

11 “(iv) provide such other information  
12 as the Secretary may reasonably require.

13 “(3) DURATION OF THE PLAN.—Each such  
14 State plan shall—

15 “(A) remain in effect for the duration of  
16 the State’s participation under this part; and

17 “(B) be periodically reviewed and revised  
18 by the State, as necessary, to reflect changes in  
19 the State’s strategies and programs under this  
20 part.

21 “(b) SECRETARIAL APPROVAL; PEER REVIEW.—

22 “(1) IN GENERAL.—The Secretary shall ap-  
23 prove each State plan that meets the requirements  
24 of this part.

1           “(2) PEER REVIEW.—The Secretary may review  
2           any State plan with the assistance and advice of in-  
3           dividuals with relevant expertise.

4           “(c) STATE AGENCY APPLICATIONS.—Any State  
5           agency that desires to receive funds to carry out a pro-  
6           gram under this part shall submit an application to the  
7           State educational agency that—

8           “(1) describes the procedures to be used, con-  
9           sistent with the State plan under section 1111, to  
10          assess the educational needs of the children to be  
11          served;

12          “(2) provides assurances that in making serv-  
13          ices available to youth in adult correctional facilities,  
14          priority will be given to such youth who are likely to  
15          complete incarceration within a 2-year period;

16          “(3) describes the program, including a budget  
17          for the first year of the program, with annual up-  
18          dates to be provided to the State educational agency;

19          “(4) describes how the program will meet the  
20          goals and objectives of the State plan under this  
21          subpart;

22          “(5) describes how the State agency will consult  
23          with experts and provide the necessary training for  
24          appropriate staff, to ensure that the planning and

1 operation of institution-wide projects under section  
2 1416 are of high quality;

3 “(6) describes how the agency will carry out the  
4 evaluation requirements of section 14701 and how  
5 the results of the most recent evaluation are used to  
6 plan and improve the program;

7 “(7) includes data showing that the agency has  
8 maintained fiscal effort required of a local edu-  
9 cational agency, in accordance with section 14501 of  
10 this title;

11 “(8) describes how the programs will be coordi-  
12 nated with other appropriate State and Federal pro-  
13 grams, such as programs under the Job Training  
14 Partnership Act or title I of the Workforce Invest-  
15 ment Act of 1998, vocational and technical edu-  
16 cation programs, State and local dropout prevention  
17 programs, and special education programs;

18 “(9) describes how States will encourage correc-  
19 tional facilities receiving funds under this subpart to  
20 coordinate with local educational agencies or alter-  
21 native education programs attended by incarcerated  
22 youth prior to their incarceration to ensure that stu-  
23 dent assessments and appropriate academic records  
24 are shared jointly between the correctional facility

1 and the local educational agency or alternative edu-  
2 cation program;

3 “(10) describes how appropriate professional  
4 development will be provided to teachers and other  
5 staff;

6 “(11) designates an individual in each affected  
7 institution to be responsible for issues relating to the  
8 transition of children and youth from the institution  
9 to locally operated programs;

10 “(12) describes how the agency will, endeavor  
11 to coordinate with businesses for training and men-  
12 toring for participating youth;

13 “(13) provides assurances that the agency will  
14 assist in locating alternative programs through  
15 which students can continue their education if stu-  
16 dents are not returning to school after leaving the  
17 correctional facility;

18 “(14) provides assurances that the agency will  
19 work with parents to secure parents’ assistance in  
20 improving the educational achievement of their chil-  
21 dren and preventing their children’s further involve-  
22 ment in delinquent activities;

23 “(15) provides assurances that the agency  
24 works with special education youth in order to meet  
25 an existing individualized education program and an

1 assurance that the agency will notify the youth's  
2 local school if such youth—

3 “(A) is identified as in need of special edu-  
4 cation services while the youth is in the facility;  
5 and

6 “(B) intends to return to the local school;

7 “(16) provides assurances that the agency will  
8 work with youth who dropped out of school before  
9 entering the facility to encourage the youth to reen-  
10 ter school once the term of the youth has been com-  
11 pleted or provide the youth with the skills necessary  
12 to gain employment, continue the education of the  
13 youth, or achieve a secondary school diploma or the  
14 recognized equivalent if the youth does not intend to  
15 return to school;

16 “(17) provides assurances that teachers and  
17 other qualified staff are also trained to work with  
18 children with disabilities and other students with  
19 special needs taking into consideration the unique  
20 needs of such students;

21 “(18) describes any additional services provided  
22 to youth, such as career counseling, distance learn-  
23 ing, and assistance in securing student loans and  
24 grants; and



1           “(19) provides assurances that the program  
2           under this subpart will be coordinated with any pro-  
3           grams operated under the Juvenile Justice and De-  
4           linquency Prevention Act of 1974 or other com-  
5           parable programs, if applicable.”.

6   **SEC. 155. USE OF FUNDS.**

7           Section 1415(a) is amended—

8                   (1) in paragraph (1)(B), by inserting “and vo-  
9                   cational and technical training” after “secondary  
10                  school completion”; and

11                  (2) in paragraph (2)(B)—

12                           (A) in clause (i), by inserting “and” after  
13                           the semicolon;

14                           (B) in clause (ii), by striking “; and” and  
15                           inserting a period; and

16                           (C) by striking clause (iii).

17   **SEC. 156. PURPOSE.**

18           Section 1421 is amended by striking paragraph (3)  
19   and inserting the following:

20                   “(3) operate programs for youth returning from  
21                   correctional facilities in local schools which may also  
22                   serve youth at risk of dropping out of school.”.

23   **SEC. 157. TRANSITION SERVICES.**

24           Section 1418(a) is amended by striking “10 percent”  
25   and inserting “15 percent”.

1 **SEC. 158. PROGRAMS OPERATED BY LOCAL EDUCATIONAL**  
2 **AGENCIES.**

3 Section 1422 is amended—

4 (1) in subsection (a), by striking “retained”;

5 (2) by amending subsection (b) to read as fol-  
6 lows:

7 “(b) SPECIAL RULE.—A local educational agency  
8 which includes a correctional facility that operates a school  
9 is not required to operate a program of support for chil-  
10 dren returning from such school to a school not operated  
11 by a correctional agency but served by such local edu-  
12 cational agency if more than 30 percent of the youth at-  
13 tending the school operated by the correctional facility will  
14 reside outside the boundaries of the local educational  
15 agency after leaving such facility.”; and

16 (3) by adding at the end of section 1422 the  
17 following:

18 “(d) TRANSITIONAL AND ACADEMIC SERVICES.—  
19 Transitional and supportive programs operated in local  
20 educational agencies under this subpart shall be designed  
21 primarily to meet the transitional and academic needs of  
22 students returning to local educational agencies or alter-  
23 native education programs from correctional facilities.  
24 Services to students at risk of dropping out of school shall  
25 not have a negative impact on meeting the transitional and

1 academic needs of the students returning from correc-  
2 tional facilities.”.

3 **SEC. 159. LOCAL EDUCATIONAL AGENCY APPLICATIONS.**

4 Section 1423 is amended by striking paragraphs (4)  
5 through (9) and inserting the following:

6 “(4) a description of the program operated by  
7 participating schools for children returning from cor-  
8 rectional facilities and the types of services that such  
9 schools will provide such youth and other at-risk  
10 youth;

11 “(5) a description of the youth returning from  
12 correctional facilities and, as appropriate, other at-  
13 risk youth expected to be served by the program and  
14 how the school will coordinate existing educational  
15 programs to meet the unique educational needs of  
16 such youth;

17 “(6) as appropriate, a description of how  
18 schools will coordinate with existing social, health  
19 and other services to meet the needs of students re-  
20 turning from correctional facilities, students at risk  
21 of dropping out of school, and other participating  
22 students, including prenatal health care and nutri-  
23 tion services related to the health of the parent and  
24 child, parenting and child development classes, child  
25 care, targeted re-entry and outreach programs, re-

1       ferrals to community resources, and scheduling flexi-  
2       bility;

3           “(7) as appropriate, a description of any part-  
4       nerships with local businesses to develop training,  
5       curriculum-based youth entrepreneurship education  
6       and mentoring services for participating students;

7           “(8) as appropriate, a description of how pro-  
8       grams will involve parents in efforts to improve the  
9       educational achievement of their children, prevent  
10      the involvement of their children in delinquent activi-  
11      ties, and encourage their children to remain in  
12      school and complete their education;

13          “(9) a description of how the program under  
14      this subpart will be coordinated with other Federal,  
15      State, and local programs, such as programs under  
16      the Job Training Partnership Act or title I of the  
17      Workforce Investment Act of 1998 and vocational  
18      and technical education programs serving this at-  
19      risk population of youth.”.

20   **SEC. 160. USES OF FUNDS.**

21       Section 1424 is amended by striking paragraphs (1)  
22   through (3) and inserting the following:

23           “(1) programs that serve youth returning from  
24      correctional facilities to local schools to assist in the  
25      transition of such youth to the school environment

1 and help them remain in school in order to complete  
2 their education;

3 “(2) providing assistance to other youth at risk  
4 of dropping out of school, including pregnant and  
5 parenting teenagers;

6 “(3) the coordination of social, health, and  
7 other services, including day care, for participating  
8 youth if the provision of such services will improve  
9 the likelihood that such youth will complete their  
10 education;

11 “(4) special programs to meet the unique aca-  
12 demic needs of participating youth, including voca-  
13 tional and technical education, special education, ca-  
14 reer counseling, curriculum-based youth entrepre-  
15 neurship education, and assistance in securing stu-  
16 dent loans or grants for postsecondary education;  
17 and

18 “(5) programs providing mentoring and peer  
19 mediation.”.

20 **SEC. 161. PROGRAM REQUIREMENTS.**

21 Section 1425 is amended—

22 (1) in paragraph (1), by striking “where fea-  
23 sible, ensure educational programs” and inserting  
24 the following: “to the extent practicable, ensure that  
25 educational programs”;

1           (2) in paragraph (3), by striking “where fea-  
2       sible,” and inserting the following: “to the extent  
3       practicable,”;

4           (3) in paragraph (8), by striking “where fea-  
5       sible,” and inserting the following: “to the extent  
6       practicable,”;

7           (4) in paragraph (9), by inserting “and tech-  
8       nical” after “vocational”; and

9           (5) by amending paragraph (11) to read as fol-  
10      lows:

11           “(11) if appropriate, work with local businesses  
12      to develop training, curriculum-based youth entre-  
13      preneurship education, and mentoring programs for  
14      youth.”.

15   **SEC. 162. PROGRAM EVALUATIONS.**

16      Section 1431(a) is amended by striking “sex, and if  
17      feasible,” and inserting “gender,”.

18                   **PART E—GENERAL PROVISIONS**

19   **SEC. 171. GENERAL PROVISIONS.**

20      Part F of title I is amended to read as follows:

21                   **“PART F—GENERAL PROVISIONS**

22   **“SEC. 1601. FEDERAL REGULATIONS.**

23      “(a) IN GENERAL.—The Secretary is authorized to  
24      issue such regulations as are necessary to reasonably en-  
25      sure that there is compliance with this title.

1 “(b) NEGOTIATED RULEMAKING PROCESS.—

2 “(1) IN GENERAL.—Prior to publishing in the  
3 Federal Register proposed regulations to carry out  
4 this title, the Secretary shall obtain the advice and  
5 recommendations of representatives of Federal,  
6 State, and local administrators, parents, teachers,  
7 paraprofessionals, and members of local boards of  
8 education involved with the implementation and op-  
9 eration of programs under this title.

10 “(2) MEETINGS AND ELECTRONIC EX-  
11 CHANGE.—Such advice and recommendation may be  
12 obtained through such mechanisms as regional meet-  
13 ings and electronic exchanges of information.

14 “(3) PROPOSED REGULATIONS.—After obtain-  
15 ing such advice and recommendations, and prior to  
16 publishing proposed regulations, the Secretary  
17 shall—

18 “(A) establish a negotiated rulemaking  
19 process on a minimum of three key issues,  
20 including—

21 “(i) accountability;

22 “(ii) implementation of assessments;

23 and

24 “(iii) use of paraprofessionals;

1           “(B) select individuals to participate in  
2           such process from among individuals or groups  
3           which provided advice and recommendations, in-  
4           cluding representation from all geographic re-  
5           gions of the United States; and

6           “(C) prepare a draft of proposed regula-  
7           tions that shall be provided to the individuals  
8           selected by the Secretary under subparagraph  
9           (B) not less than 15 days prior to the first  
10          meeting under such process.

11          “(4) PROCESS.—Such process—

12               “(A) shall be conducted in a timely manner  
13               to ensure that final regulations are issued by  
14               the Secretary not later than 1 year after the  
15               date of the enactment of the Public Education  
16               Reinvestment, Reinvention, and Responsibility  
17               Act (Three R’s); and

18               “(B) shall not be subject to the Federal  
19               Advisory Committee Act but shall otherwise fol-  
20               low the provisions of the Negotiated Rule-  
21               making Act of 1990 (5 U.S.C. 561 et seq.).

22          “(5) EMERGENCY SITUATION.—In an emer-  
23          gency situation in which regulations to carry out this  
24          title must be issued within a very limited time to as-  
25          sist State and local educational agencies with the op-



1       eration of a program under this title, the Secretary  
2       may issue proposed regulations without following  
3       such process but shall, immediately thereafter and  
4       prior to issuing final regulations, conduct regional  
5       meetings to review such proposed regulations.

6       “(c) LIMITATION.—Regulations to carry out this part  
7       may not require local programs to follow a particular in-  
8       structional model, such as the provision of services outside  
9       the regular classroom or school program.

10    **“SEC. 1602. AGREEMENTS AND RECORDS.**

11       “(a) AGREEMENTS.—All published proposed regula-  
12       tions shall conform to agreements that result from nego-  
13       tiated rulemaking described in section 1601 unless the  
14       Secretary reopens the negotiated rulemaking process or  
15       provides a written explanation to the participants involved  
16       in the process explaining why the Secretary decided to de-  
17       part from and not adhere to such agreements.

18       “(b) RECORDS.—The Secretary shall ensure that an  
19       accurate and reliable record of agreements reached during  
20       the negotiations process is maintained.

21    **“SEC. 1603. STATE ADMINISTRATION.**

22       “(a) RULEMAKING.—

23               “(1) IN GENERAL.—Each State that receives  
24       funds under this title shall—

1           “(A) ensure that any State rules, regula-  
2           tions, and policies relating to this title conform  
3           to the purposes of this title and provide any  
4           such proposed rules, regulations, and policies to  
5           the committee of practitioners under subsection  
6           (b) for their review and comment;

7           “(B) minimize such rules, regulations, and  
8           policies to which their local educational agencies  
9           and schools are subject;

10          “(C) eliminate or modify State and local  
11          fiscal accounting requirements in order to facili-  
12          tate the ability of schools to consolidate funds  
13          under schoolwide programs; and

14          (D) identify any such rule, regulation, or  
15          policy as a State-imposed requirement.

16          “(2) SUPPORT AND FACILITATION.—State  
17          rules, regulations, and policies under this title shall  
18          support and facilitate local educational agency and  
19          school-level systemic reform designed to enable all  
20          children to meet the challenging State student per-  
21          formance standards.

22          “(b) COMMITTEE OF PRACTITIONERS.—

23                 “(1) IN GENERAL.—Each State educational  
24          agency shall create a State committee of practi-

tioners to advise the State in carrying out its responsibilities under this title.

“(2) MEMBERSHIP.—Each such committee shall include—

“(A) as a majority of its members, representatives from local educational agencies;

“(B) administrators, including the administrators of programs described in other parts of this title;

“(C) teachers, including vocational educators;

“(D) parents;

“(E) members of local boards of education;

“(F) representatives of private school children; and

“(G) pupil services personnel.

“(3) DUTIES.—The duties of such committee shall include a review, prior to publication, of any proposed or final State rule or regulation pursuant to this title. In an emergency situation where such rule or regulation must be issued within a very limited time to assist local educational agencies with the operation of the program under this title, the State educational agency may issue a regulation without prior consultation, but shall immediately

1       thereafter convene the State committee of practi-  
2       tioners to review the emergency regulation prior to  
3       issuance in final form.

4   **“SEC. 1604. CONSTRUCTION.**

5       “(a) PROHIBITION OF FEDERAL MANDATES, DIREC-  
6   TION, OR CONTROL.—Nothing in this title shall be con-  
7   strued to authorize an officer or employee of the Federal  
8   Government to mandate, direct, or control a State, local  
9   educational agency, or school’s specific instructional con-  
10   tent or pupil performance standards and assessments, cur-  
11   riculum, or program of instruction as a condition of eligi-  
12   bility to receive funds under this title.

13       “(b) EQUALIZED SPENDING.—Nothing in this title  
14   shall be construed to mandate equalized spending per  
15   pupil for a State, local educational agency, or school.

16       “(c) BUILDING STANDARDS.—Nothing in this title  
17   shall be construed to mandate national school building  
18   standards for a State, local educational agency, or school.

19   **“SEC. 1605. APPLICABILITY TO HOME SCHOOLS.**

20       “Nothing in this Act shall be construed to affect  
21   home schools.

22   **“SEC. 1606. GENERAL PROVISION REGARDING NON-**  
23       **RECIPIENT NONPUBLIC SCHOOLS.**

24       “Nothing in this Act shall be construed to permit,  
25   allow, encourage, or authorize any Federal control over

1 any aspect of any private, religious, or home school,  
 2 whether or not a home school is treated as a private school  
 3 or home school under State law. This section shall not be  
 4 construed to bar private, religious, or home schools from  
 5 participation in programs or services under this Act.

6 **“SEC. 1607. LOCAL ADMINISTRATIVE COST LIMITATION.**

7       “(a) LOCAL ADMINISTRATIVE COST LIMITATION.—  
 8 Each local educational agency may use not more than 4  
 9 percent of funds received under part A for administrative  
 10 expenses.

11       “(b) REGULATIONS.—The Secretary, after consulting  
 12 with State and local officials and other experts in school  
 13 finance, shall develop and issue regulations that define the  
 14 term administrative cost for purposes of this title. Such  
 15 definition shall be consistent with generally accepted ac-  
 16 counting principles. The Secretary shall publish final regu-  
 17 lations on this section not later than 1 year after the date  
 18 of the enactment of the Public Education Reinvestment,  
 19 Reinvention, and Responsibility Act (Three R’s).

20 **“SEC. 1608. PROHIBITION ON MANDATORY NATIONAL CER-**  
 21 **TIFICATION OF TEACHERS AND PARA-**  
 22 **PROFESSIONALS.**

23       “(a) PROHIBITION ON MANDATORY TESTING OR  
 24 CERTIFICATION.—Notwithstanding any other provision of  
 25 law, the Secretary is prohibited from using Federal funds

1 to plan, develop, implement, or administer any mandatory  
 2 national teacher or paraprofessional test or certification.

3 “(b) PROHIBITION ON WITHHOLDING FUNDS.—The  
 4 Secretary is prohibited from withholding funds from any  
 5 State or local educational agency if such State or local  
 6 educational agency fails to adopt a specific method of  
 7 teacher or paraprofessional certification.

8 **“SEC. 1609. GAO STUDIES.**

9 “The General Accounting Office shall conduct a  
 10 study of paraprofessionals under part A of title I.

11 **“SEC. 1610. DEFINITIONS.**

12 “For purposes of this title—

13 “(1) The term ‘Secretary’ means the Secretary  
 14 of Education.

15 “(2) The term ‘scientifically-based research’—

16 “(A) means the application of rigorous,  
 17 systematic, and objective procedures; and

18 “(B) shall include research that—

19 “(i) employs systematic, empirical  
 20 methods that draw on observation or ex-  
 21 periment;

22 “(ii) involves rigorous data analyses  
 23 that are adequate to test the stated  
 24 hypotheses and justify the general conclu-  
 25 sions drawn;

1 “(iii) relies on measurements or obser-  
 2 vational methods that provide valid data  
 3 across evaluators and observers and across  
 4 multiple measurements and observations;  
 5 and

6 “(iv) has been accepted by a peer-re-  
 7 viewed journal or approved by a panel of  
 8 independent experts through a comparably  
 9 rigorous, objective, and scientific review.

10 **PART F—FEDERAL EVALUATIONS,**  
 11 **DEMONSTRATIONS, AND TRANSITION PROJECTS**

12 **SEC. 181. EVALUATIONS.**

13 Section 1501 (20 U.S.C. 6491) is amended—

14 (1) in subsection (a)(4)—

15 (A) by striking “January 1, 1996” and in-  
 16 serting “January 1, 2003”; and

17 (B) by striking “January 1, 1999” and in-  
 18 serting “January 1, 2006”;

19 (2) in subsection (b)(1), by striking “December  
 20 31, 1997” and inserting “December 31, 2004”; and

21 (3) in subsection (e)(2), by striking “December  
 22 31, 1996” and inserting “December 31, 2003”.

23 **SEC. 182. DEMONSTRATIONS OF INNOVATIVE PRACTICES.**

24 Section 1502 (20 U.S.C. 6492) is amended to read  
 25 as follows:

1 **“SEC. 1502. COMPREHENSIVE SCHOOL REFORM.**

2 “(a) FINDINGS AND PURPOSE.—

3 “(1) FINDINGS.—Congress finds the following:

4 “(A) A number of schools across the coun-  
5 try have shown impressive gains in student per-  
6 formance through the use of comprehensive  
7 models for schoolwide change that incorporate  
8 virtually all aspects of school operations.

9 “(B) No single comprehensive school re-  
10 form model may be suitable for every school,  
11 however, schools should be encouraged to exam-  
12 ine successful, externally developed comprehen-  
13 sive school reform approaches as they under-  
14 take comprehensive school reform.

15 “(C) Comprehensive school reform is an  
16 important means by which children are assisted  
17 in meeting challenging State student perform-  
18 ance standards.

19 “(2) PURPOSE.—The purpose of this section is  
20 to provide financial incentives for schools to develop  
21 comprehensive school reforms, based upon scientif-  
22 ically based research and effective practices that in-  
23 clude an emphasis on basic academics and parental  
24 involvement so that all children can meet challenging  
25 State content and performance standards.

26 “(b) PROGRAM AUTHORIZED.—



1           “(1) IN GENERAL.—The Secretary is authorized  
2           to provide grants to State educational agencies to  
3           provide subgrants to local educational agencies to  
4           carry out the purpose described in subsection (a)(2).

5           “(2) ALLOCATION.—

6                   “(A) RESERVATION.—Of the amount ap-  
7                   propriated under this section, the Secretary  
8                   may reserve—

9                           “(i) not more than 1 percent for  
10                           schools supported by the Bureau of Indian  
11                           Affairs and in the United States Virgin Is-  
12                           lands, Guam, American Samoa, and the  
13                           Commonwealth of the Northern Mariana  
14                           Islands; and

15                           “(ii) not more than 1 percent to con-  
16                           duct national evaluation activities de-  
17                           scribed under subsection (e).

18           “(B) IN GENERAL.—Of the amount of  
19           funds remaining after the reservation under  
20           subparagraph (A), the Secretary shall allocate  
21           to each State for a fiscal year, an amount that  
22           bears the same ratio to the amount appro-  
23           priated for that fiscal year as the amount made  
24           available under section 1124 to the State for  
25           the preceding fiscal year bears to the total

1 amount allocated under section 1124 to all  
2 States for that year.

3 “(C) REALLOCATION.—If a State does not  
4 apply for funds under this section, the Sec-  
5 retary shall reallocate such funds to other  
6 States that do apply in proportion to the  
7 amount allocated to such States under subpara-  
8 graph (B).

9 “(c) STATE AWARDS.—

10 “(1) STATE APPLICATION.—

11 “(A) IN GENERAL.—Each State edu-  
12 cational agency that desires to receive a grant  
13 under this section shall submit an application to  
14 the Secretary at such time, in such manner and  
15 containing such other information as the Sec-  
16 retary may reasonably require.

17 “(B) CONTENTS.—Each State application  
18 shall also describe—

19 “(i) the process and selection criteria  
20 by which the State educational agency,  
21 using expert review, will select local edu-  
22 cational agencies to receive subgrants  
23 under this section;

24 “(ii) how the agency will ensure that  
25 only comprehensive school reforms that are

1 based on scientifically based research re-  
2 ceive funds under this section;

3 “(iii) how the agency will disseminate  
4 materials regarding information on com-  
5 prehensive school reforms that are based  
6 on scientifically based research;

7 “(iv) how the agency will evaluate the  
8 implementation of such reforms and meas-  
9 ure the extent to which the reforms re-  
10 sulted in increased student academic per-  
11 formance; and

12 “(v) how the agency will provide, upon  
13 request, technical assistance to the local  
14 educational agency in evaluating, devel-  
15 oping, and implementing comprehensive  
16 school reform.

17 “(2) USES OF FUNDS.—

18 “(A) IN GENERAL.—Except as provided in  
19 subparagraph (E), a State educational agency  
20 that receives an award under this section shall  
21 use such funds to provide competitive grants to  
22 local educational agencies receiving funds under  
23 part A.

24 “(B) GRANT REQUIREMENTS.—A grant to  
25 a local educational agency shall be—

1 “(i) of sufficient size and scope to  
2 support the initial costs for the particular  
3 comprehensive school reform plan selected  
4 or designed by each school identified in the  
5 application of the local educational agency;

6 “(ii) in an amount not less than  
7 \$50,000 to each participating school; and

8 “(iii) renewable for two additional 1-  
9 year periods after the initial 1-year grant  
10 is made if schools are making substantial  
11 progress in the implementation of their re-  
12 forms.

13 “(C) PRIORITY.—The State, in awarding  
14 grants under this paragraph, shall give priority  
15 to local educational agencies that—

16 “(i) plan to use the funds in schools  
17 identified as being in need of improvement  
18 or corrective action under section 1116(c);  
19 and

20 “(ii) demonstrate a commitment to  
21 assist schools with budget allocation, pro-  
22 fessional development, and other strategies  
23 necessary to ensure the comprehensive  
24 school reforms are properly implemented  
25 and are sustained in the future.

1           “(D) GRANT CONSIDERATION.—In making  
2           subgrant awards under this part, the State edu-  
3           cational agency shall take into account the equi-  
4           table distribution of awards to different geo-  
5           graphic regions within the State, including  
6           urban and rural areas, and to schools serving  
7           elementary and secondary students.

8           “(E) ADMINISTRATIVE COSTS.—A State  
9           educational agency that receives a grant award  
10          under this section may reserve not more than 5  
11          percent of such award for administrative, eval-  
12          uation, and technical assistance expenses.

13          “(F) SUPPLEMENT.—Funds made avail-  
14          able under this section shall be used to supple-  
15          ment, not supplant, any other Federal, State,  
16          or local funds that would otherwise be available  
17          to carry out this section.

18          “(3) REPORTING.—Each State educational  
19          agency that receives an award under this section  
20          shall provide to the Secretary such information as  
21          the Secretary may require, including the names of  
22          local educational agencies and schools selected to re-  
23          ceive subgrant awards under this section, the  
24          amount of such award, and a description of the com-  
25          prehensive school reform model selected and in use.

1 “(d) LOCAL AWARDS.—

2 “(1) IN GENERAL.—Each local educational  
3 agency that applies for a subgrant under this section  
4 shall—

5 “(A) identify which schools eligible for  
6 funds under part A plan to implement a com-  
7 prehensive school reform program, including the  
8 projected costs of such a program;

9 “(B) describe the scientifically based com-  
10 prehensive school reforms that such schools will  
11 implement;

12 “(C) describe how the agency will provide  
13 technical assistance and support for the effec-  
14 tive implementation of the scientifically based  
15 school reforms selected by such schools; and

16 “(D) describe how the agency will evaluate  
17 the implementation of such reforms and meas-  
18 ure the results achieved in improving student  
19 academic performance.

20 “(2) COMPONENTS OF THE PROGRAM.—A local  
21 educational agency that receives a subgrant award  
22 under this section shall provide such funds to  
23 schools that implement a comprehensive school re-  
24 form program that—

1           “(A) employs innovative strategies and  
2           proven methods for student learning, teaching,  
3           and school management that are based on sci-  
4           entifically based research and effective practices  
5           and have been replicated successfully in schools  
6           with diverse characteristics;

7           “(B) integrates a comprehensive design for  
8           effective school functioning, including instruc-  
9           tion, assessment, classroom management, pro-  
10          fessional development, parental involvement,  
11          and school management, that aligns the school’s  
12          curriculum, technology, professional develop-  
13          ment into a comprehensive reform plan for  
14          schoolwide change designed to enable all stu-  
15          dents to meet challenging State content and  
16          challenging student performance standards and  
17          addresses needs identified through a school  
18          needs assessment;

19          “(C) provides high-quality and continuous  
20          teacher and staff professional development;

21          “(D) includes measurable goals for student  
22          performance and performance objectives for  
23          meeting such goals;

24          “(E) is supported by teachers, principals,  
25          administrators, and other professional staff;

1           “(F) provides for the meaningful involve-  
2           ment of parents and the local community in  
3           planning and implementing school improvement  
4           activities;

5           “(G) uses high quality external technical  
6           support and assistance from an entity, which  
7           may be an institution of higher education, with  
8           experience and expertise in schoolwide reform  
9           and improvement;

10          “(H) includes a plan for the evaluation of  
11          the implementation of school reforms and the  
12          student results achieved; and

13          “(I) identifies how other resources, includ-  
14          ing Federal, State, local, and private resources,  
15          available to the school will be used to coordinate  
16          services to support and sustain the school re-  
17          form effort.

18          “(3) SPECIAL RULE.—A school that receives  
19          funds to develop a comprehensive school reform pro-  
20          gram shall not be limited to using the approaches  
21          identified or developed by the Department of Edu-  
22          cation, but may develop its own comprehensive  
23          school reform programs for schoolwide change that  
24          comply with paragraph (2).

25          “(e) EVALUATION AND REPORT.—



1           “(1) IN GENERAL.—The Secretary shall develop  
2           a plan for a national evaluation of the programs de-  
3           veloped pursuant to this section.

4           “(2) EVALUATION.—This national evaluation  
5           shall evaluate the implementation and results  
6           achieved by schools after 3 years of implementing  
7           comprehensive school reforms, and assess the effec-  
8           tiveness of comprehensive school reforms in schools  
9           with diverse characteristics.

10          “(3) REPORTS.—Prior to the completion of a  
11          national evaluation, the Secretary shall submit an  
12          interim report outlining first year implementation  
13          activities to the Committees on Education and the  
14          Workforce and Appropriations of the House of Rep-  
15          resentatives and the Committees on Health, Edu-  
16          cation, Labor, and Pensions and Appropriations of  
17          the Senate.

18          “(f) DEFINITION.—The term ‘scientifically based  
19          research’—

20                 “(1) means the application of rigorous, system-  
21                 atic, and objective procedures in the development of  
22                 comprehensive school reform models; and

23                 “(2) shall include research that—

24                         “(A) employs systematic, empirical meth-  
25                         ods that draw on observation or experiment;

8 “(D) has been accepted by a peer-reviewed  
9 journal or approved by a panel of independent  
10 experts through a comparably rigorous, objec-  
11 tive, and scientific review.

12 “(g) AUTHORIZATION OF APPROPRIATIONS.—Funds  
13 appropriated for any fiscal year under section 1002(f)  
14 shall be used for carrying out the activities under this sec-  
15 tion.”.

**18 SEC. 191. AUTHORIZATION OF APPROPRIATIONS.**

21       “There are authorized to be appropriated to carry out  
22 this subpart \$150,000,000 for fiscal year 2002 and such  
23 sums as may be necessary for each of the succeeding 4  
24 fiscal years.”.

1 **SEC. 192. FORMULA GRANT PROGRAM.**

2 Section 10974 (20 U.S.C. 8294) is amended—

3 (1) in subsection (a)(1), by striking “section  
4 2010(b), section 3134, or section 4116” and insert-  
5 ing the following: “section 2017, or 6006.”; and

6 (2) in subsection (c), by striking “, IV,”.

7 **TITLE II—TEACHER AND PRIN-**  
8 **CIPAL QUALITY, PROFES-**  
9 **SIONAL DEVELOPMENT, AND**  
10 **CLASS SIZE**

11 **SEC. 201. TEACHER AND PRINCIPAL QUALITY, PROFES-**  
12 **SIONAL DEVELOPMENT, AND CLASS SIZE.**

13 Title II (20 U.S.C. 6601 et seq.) is amended to read  
14 as follows:

15 **“TITLE II—TEACHER AND PRIN-**  
16 **CIPAL QUALITY, PROFES-**  
17 **SIONAL DEVELOPMENT, AND**  
18 **CLASS SIZE**

19 **“SEC. 2001. PURPOSE.**

20 “The purpose of this title is to provide grants to  
21 State educational agencies and local educational agencies  
22 in order to assist their efforts to increase student academic  
23 achievement through such strategies as improving teacher  
24 and principal quality, increasing professional development,  
25 and decreasing class size.

1 **“SEC. 2002. DEFINITIONS.**

2 “In this title:

3 “(1) FULLY QUALIFIED.—The term ‘fully  
4 qualified’—

5 “(A) when used with respect to a public el-  
6 elementary or secondary school teacher (other  
7 than a teacher teaching in a public charter  
8 school), means that the teacher has obtained  
9 State certification as a teacher (including cer-  
10 tification obtained through alternative routes to  
11 certification) or passed the State teacher licens-  
12 ing exam and holds a license to teach in such  
13 State; and

14 “(B) when used with respect to—

15 “(i) an elementary school teacher,  
16 means that the teacher holds a bachelor’s  
17 degree and demonstrates knowledge and  
18 teaching skills in reading, writing, mathe-  
19 matics, science, and other areas of the ele-  
20 mentary school curriculum; or

21 “(ii) a middle or secondary school  
22 teacher, means that the teacher holds a  
23 bachelor’s degree and demonstrates a high  
24 level of competency in all subject areas in  
25 which he or she teaches through—

1                   “(I) a high level of performance  
2                   on a rigorous State or local academic  
3                   subject areas test; or

4                   “(II) completion of an academic  
5                   major in each of the subject areas in  
6                   which he or she provides instruction.

7                   “(2) INSTITUTION OF HIGHER EDUCATION.—  
8                   The term ‘institution of higher education’ means an  
9                   institution of higher education, as defined in section  
10                  101 of the Higher Education Act of 1965, that—

11                  “(A) has not been identified as low per-  
12                  forming under section 208 of the Higher Edu-  
13                  cation Act of 1965; and

14                  “(B) is in full compliance with the public  
15                  reporting requirements described in section 207  
16                  of the Higher Education Act of 1965.

17                  “(3) OUTLYING AREA.—The term ‘outlying  
18                  area’ means the United States Virgin Islands,  
19                  Guam, American Samoa, and the Commonwealth of  
20                  the Northern Mariana Islands.

21                  “(4) POVERTY LINE.—The term ‘poverty line’  
22                  means the poverty line (as defined by the Office of  
23                  Management and Budget, and revised annually in  
24                  accordance with section 673(2) of the Community

1 Services Block Grant Act) applicable to a family of  
 2 the size involved, for the most recent year.

3 “(5) SCHOOL-AGE POPULATION.—The term  
 4 ‘school-age population’ means the population aged 5  
 5 through 17, as determined on the basis of the most  
 6 recent satisfactory data.

7 “(6) STATE.—The term ‘State’ means each of  
 8 the several States in the United States, the District  
 9 of Columbia, and the Commonwealth of Puerto Rico.

10 “(7) The requirement of paragraph (2)(B)(i)  
 11 and (ii) shall apply to teachers teaching in a public  
 12 charter school.

13 **“PART A—TEACHER AND PRINCIPAL QUALITY**  
 14 **AND PROFESSIONAL DEVELOPMENT**

15 **“SEC. 2011. PROGRAM AUTHORIZED.**

16 “(a) GRANTS AUTHORIZED.—The Secretary shall  
 17 award a grant, from allotments made under subsection  
 18 (b), to each State having a State plan approved under sec-  
 19 tion 2013, to enable the State to raise the quality of, and  
 20 provide professional development opportunities for, public  
 21 elementary school and secondary school teachers, prin-  
 22 cipals, and administrators.

23 “(b) RESERVATIONS AND ALLOTMENTS.—

1           “(1) RESERVATIONS.—From the amount appro-  
2           priated under section 2023 to carry out this part for  
3           each fiscal year, the Secretary shall reserve—

4                   “(A)  $\frac{1}{2}$  of 1 percent of such amount for  
5                   payments to the Bureau of Indian Affairs for  
6                   activities, approved by the Secretary, consistent  
7                   with this part;

8                   “(B)  $\frac{1}{2}$  of 1 percent of such amount for  
9                   payments to outlying areas, to be allotted in ac-  
10                  cordance with their respective needs as deter-  
11                  mined by the Secretary, for activities, approved  
12                  by the Secretary, consistent with this part; and

13                  “(C) such sums as may be necessary to  
14                  continue to support any multiyear partnership  
15                  program award made under parts A, C, and D  
16                  (as such parts were in effect on the day pre-  
17                  ceding the date of enactment of the Public Edu-  
18                  cation Reinvestment, Reinvention, and Respon-  
19                  sibility Act (Three R’s)) until the termination  
20                  of the multiyear award.

21           “(2) STATE ALLOTMENTS.—From the amount  
22           appropriated under section 2023 for a fiscal year  
23           and remaining after the Secretary makes reserva-  
24           tions under paragraph (1), the Secretary shall allot

1 to each State having a State plan approved under  
2 section 2013 the sum of—

3 “(A) an amount that bears the same rela-  
4 tionship to 50 percent of the remainder as the  
5 school-age population from families with in-  
6 comes below the poverty line in the State bears  
7 to the school-age population from families with  
8 incomes below the poverty line in all States; and

9 “(B) an amount that bears the same rela-  
10 tionship to 50 percent of the remainder as the  
11 school-age population in the State bears to the  
12 school-age population in all States.

13 “(c) STATE MINIMUM.—For any fiscal year, no State  
14 shall be allotted under this section an amount that is less  
15 than  $\frac{1}{2}$  of 1 percent of the total amount allotted to all  
16 States under subsection (b)(2).

17 “(d) HOLD-HARMLESS AMOUNTS.—For fiscal year  
18 2002, notwithstanding subsection (b)(2), the amount al-  
19 lotted to each State under this section shall be not less  
20 than 100 percent of the total amount the State was allot-  
21 ted under part B (as such part was in effect on the day  
22 preceding the date of enactment of the Public Education  
23 Reinvestment, Reinvention, and Responsibility Act (Three  
24 R’s)) for the preceding fiscal year.



1       “(e) Ratable Reductions.—If the sums made  
2 available under subsection (b)(2) for any fiscal year are  
3 insufficient to pay the full amounts that all States are eli-  
4 gible to receive under subsection (d) for such year, the  
5 Secretary shall ratably reduce such amounts for such year.

6       **“SEC. 2012. WITHIN STATE ALLOCATION.**

7       “(a) IN GENERAL.—Each State educational agency  
8 for a State receiving a grant under section 2011(a) shall—

9               “(1) set aside 15 percent of the grant funds to  
10 award educator partnership grants under section  
11 2021;

12              “(2) set aside not more than 5 percent of the  
13 grant funds to carry out activities described the  
14 State plan submitted under section 2013; and

15              “(3) using the remaining 80 percent of the  
16 grant funds, make subgrants by allocating to each  
17 local educational agency in the State the sum of—

18                      “(A) an amount that bears the same rela-  
19 tionship to 60 percent of the remainder as the  
20 school-age population from families with in-  
21 comes below the poverty line in the area served  
22 by the local educational agency bears to the  
23 school-age population from families with in-  
24 comes below the poverty line in the area served

1 by all local educational agencies in the State;  
2 and

3 “(B) an amount that bears the same rela-  
4 tionship to 40 percent of the remainder as the  
5 school-age population in the area served by the  
6 local educational agency bears to the school-age  
7 population in the area served by all local edu-  
8 cational agencies in the State.

9 “(b) HOLD-HARMLESS AMOUNTS.—Notwithstanding  
10 subsection (a), the amount allocated to each local edu-  
11 cational agency under this section shall be not less than  
12 100 percent of the total amount the local educational  
13 agency was allocated under this title (as in effect on the  
14 day preceding the date of enactment of the Public Edu-  
15 cation Reinvestment, Reinvention, and Responsibility Act  
16 (Three R’s)) for each year.

17 “(c) RATABLE REDUCTIONS.—If the sums made  
18 available under subsection (a)(3) for any fiscal year are  
19 insufficient to pay the full amounts that all local edu-  
20 cational agencies are eligible to receive under subsection  
21 (b) for such year, the State educational agency shall rat-  
22 ably reduce such amounts for such year.

23 **“SEC. 2013. STATE PLANS.**

24 “(a) PLAN REQUIRED.—

1           “(1) COMPREHENSIVE STATE PLAN.—The enti-  
2           ty or agency responsible for teacher certification or  
3           licensing under the laws of the State desiring a  
4           grant under this part shall submit a State plan to  
5           the Secretary at such time, in such manner, and ac-  
6           companied by such information as the Secretary may  
7           require. If the State educational agency is not the  
8           entity or agency designated under the laws of the  
9           State as responsible for teacher certification or li-  
10          censing in the State, then the plan shall be devel-  
11          oped in consultation with the State educational  
12          agency. The entity or agency shall provide annual  
13          evidence of such consultation to the Secretary.

14           “(2) CONSOLIDATED PLAN.—A State plan sub-  
15          mitted under paragraph (1) may be submitted as  
16          part of a consolidated plan under section 8302.

17          “(b) CONTENTS.—Each plan submitted under sub-  
18          section (a) shall—

19           “(1) describe how the State is taking reasonable  
20          steps to—

21           “(A) reform teacher certification, recertifi-  
22          cation, or licensure requirements to ensure  
23          that—

24           “(i) teachers have the necessary  
25          teaching skills and academic content

1 knowledge in the academic subjects in  
2 which the teachers are assigned to teach;

3 “(ii) such requirements are aligned  
4 with the challenging State content stand-  
5 ards;

6 “(iii) teachers have the knowledge and  
7 skills necessary to help students meet the  
8 challenging State student performance  
9 standards;

10 “(iv) such requirements take into ac-  
11 count the need, as determined by the  
12 State, for greater access to, and participa-  
13 tion in, the teaching profession by individ-  
14 uals from historically underrepresented  
15 groups; and

16 “(v) teachers have the necessary tech-  
17 nological skills to integrate more effectively  
18 technology in the teaching of content re-  
19 quired by State and local standards in all  
20 academic subjects in which the teachers  
21 provide instruction;

22 “(B) develop and implement rigorous test-  
23 ing procedures for teachers, as required in sec-  
24 tion 2002(1)(A), to ensure that the teachers  
25 have teaching skills and academic content

1 knowledge necessary to teach effectively the  
2 content called for by State and local standards  
3 in all academic subjects in which the teachers  
4 provide instruction;

5 “(C) establish, expand, or improve alter-  
6 native routes to State certification of teachers,  
7 especially in the areas of mathematics and  
8 science, for highly qualified individuals with a  
9 baccalaureate degree, including mid-career pro-  
10 fessionals from other occupations, paraprofes-  
11 sionals, former military personnel, and recent  
12 college or university graduates who have  
13 records of academic distinction and who dem-  
14 onstrate the potential to become highly effective  
15 teachers;

16 “(D) reduce emergency teacher certifi-  
17 cation;

18 “(E) develop and implement effective pro-  
19 grams, and provide financial assistance, to as-  
20 sist local educational agencies, elementary  
21 schools, and secondary schools in effectively re-  
22 cruiting and retaining fully qualified teachers  
23 and principals, particularly in schools that have  
24 the lowest proportion of fully qualified teachers

1 or the highest proportion of low-performing stu-  
2 dents;

3 “(F) provide professional development pro-  
4 grams that meet the requirements described in  
5 section 2019;

6 “(G) provide programs that are designed  
7 to assist new teachers during their first 3 years  
8 of teaching, such as mentoring programs that—

9 “(i) provide mentoring to new teach-  
10 ers from veteran teachers with expertise in  
11 the same subject matter as the new teach-  
12 ers are teaching;

13 “(ii) provide mentors time for activi-  
14 ties such as coaching, observing, and as-  
15 sisting teachers who are being mentored;  
16 and

17 “(iii) use standards or assessments  
18 that are consistent with the State’s student  
19 performance standards and the require-  
20 ments for professional development activi-  
21 ties described in section 2019 in order to  
22 guide the new teachers;

23 “(H) provide technical assistance to local  
24 educational agencies in developing and imple-

1           menting activities described in section 2018;  
2           and

3                 “(I) ensure that programs in core aca-  
4           demic subjects, particularly in mathematics and  
5           science, will take into account the need for  
6           greater access to, and participation in, such  
7           core academic subjects by students from histori-  
8           cally underrepresented groups, including fe-  
9           males, minorities, individuals with limited  
10          English proficiency, the economically disadvan-  
11          taged, and individuals with disabilities, by in-  
12          corporating pedagogical strategies and tech-  
13          niques that meet such students’ educational  
14          needs;

15               “(2) describe the activities for which assistance  
16          is sought under the grant, and how such activities  
17          will improve students’ academic achievement and  
18          close academic achievement gaps of low-income, mi-  
19          nority, and limited English proficient students;

20               “(3) describe how the State will establish an-  
21          nual numerical performance objectives under section  
22          2014 for improving the qualifications of teachers  
23          and the professional development of teachers, prin-  
24          cipals, administrators, and mental health profes-  
25          sionals;

1           “(4) contain an assurance that the State con-  
2           sulted with local educational agencies, education-re-  
3           lated community groups, nonprofit organizations,  
4           parents, teachers, school administrators, local school  
5           boards, institutions of higher education in the State,  
6           and content specialists in establishing the perform-  
7           ance objectives described in section 2014;

8           “(5) describe how the State will hold local edu-  
9           cational agencies, elementary schools, and secondary  
10          schools accountable for meeting the performance ob-  
11          jectives described in section 2014 and for reporting  
12          annually on the local educational agencies’ and  
13          schools’ progress in meeting the performance objec-  
14          tives;

15          “(6) describe how the State will ensure that a  
16          local educational agency receiving a subgrant under  
17          section 2012 will comply with the requirements of  
18          this part;

19          “(7) provide an assurance that the State will  
20          require each local educational agency, elementary  
21          school, or secondary school receiving funds under  
22          this part to report publicly the local educational  
23          agency’s or school’s annual progress with respect to  
24          the performance objectives described in section  
25          2014; and



1           “(8) describe how the State will coordinate pro-  
2           fessional development activities authorized under  
3           this part with professional development activities  
4           provided under other Federal, State, and local pro-  
5           grams, including programs authorized under titles I  
6           and III and, where appropriate, the Individuals with  
7           Disabilities Education Act and the Carl D. Perkins  
8           Vocational and Technical Education Act of 1998.

9           “(c) SECRETARY APPROVAL.—The Secretary shall,  
10          using a peer review process, approve a State plan if the  
11          plan meets the requirements of this section.

12          “(d) DURATION OF THE PLAN.—

13               “(1) IN GENERAL.—Each State plan shall—

14                   “(A) remain in effect for the duration of  
15                   the State’s participation under this part; and

16                   “(B) be periodically reviewed and revised  
17                   by the State, as necessary, to reflect changes to  
18                   the State’s strategies and programs carried out  
19                   under this part.

20               “(2) ADDITIONAL INFORMATION.—If a State  
21               receiving a grant under this part makes significant  
22               changes to the State plan, such as the adoption of  
23               new performance objectives, the State shall submit  
24               information regarding the significant changes to the  
25               Secretary.

1   **“SEC. 2014. PERFORMANCE OBJECTIVES.**

2           “(a) IN GENERAL.—Each State receiving a grant  
3 under this part shall establish annual numerical perform-  
4 ance objectives with respect to progress in improving the  
5 qualifications of teachers and the professional development  
6 of teachers, principals, and administrators. For each an-  
7 nual numerical performance objective established, the  
8 State shall specify an incremental percentage increase for  
9 the objective to be attained for each of the fiscal years  
10 for which the State receives a grant under this part, rel-  
11 ative to the preceding fiscal year.

12          “(b) REQUIRED OBJECTIVES.—At a minimum, the  
13 annual numerical performance objectives described in sub-  
14 section (a) shall include an incremental increase in the  
15 percentage of—

16               “(1) classes in core academic subjects that are  
17 being taught by fully qualified teachers;

18               “(2) new teachers and principals receiving pro-  
19 fessional development support, including mentoring  
20 for teachers, during the teachers’ and principals first  
21 3 years;

22               “(3) teachers, principals, and administrators  
23 participating in high quality professional develop-  
24 ment programs that are consistent with section  
25 2019; and

1           “(4) fully qualified teachers teaching in the  
2       State, to ensure that all teachers teaching in such  
3       State are fully qualified by December 31, 2005.

4       “(c) REQUIREMENT FOR FULLY QUALIFIED TEACH-  
5   ERS.—Each State receiving a grant under this part shall  
6   ensure that all public elementary school and secondary  
7   school teachers in the State are fully qualified not later  
8   than December 31, 2005.

9       “(d) ACCOUNTABILITY.—

10           “(1) IN GENERAL.—Each State receiving a  
11       grant under this part shall be held accountable for—

12                   “(A) meeting the State’s annual numerical  
13       performance objectives; and

14                   “(B) meeting the reporting requirements  
15       described in section 4401.

16           “(2) SANCTIONS.—Any State that fails to meet  
17       the requirement described in paragraph (1)(A) shall  
18       be subject to sanctions under section 7001.

19       “(e) SPECIAL RULE.—Notwithstanding any other  
20   provision of law, the provisions of subsection (c) shall not  
21   supersede State laws governing public charter schools.

22       “(f) COORDINATION.—Each State that receives a  
23   grant under this part and a grant under section 202 of  
24   the Higher Education Act of 1965 shall coordinate the

1 activities the State carries out under such section 202 with  
2 the activities the State carries out under this section.

3 **“SEC. 2015. OPTIONAL ACTIVITIES.**

4 “Each State receiving a grant under section 2011(a)  
5 may use the grant funds—

6 “(1) to develop and implement a system to  
7 measure the effectiveness of specific professional de-  
8 velopment programs and strategies;

9 “(2) to increase the portability of teacher pen-  
10 sions and reciprocity of teaching certification or li-  
11 censure among States, except that no reciprocity  
12 agreement developed under this section may lead to  
13 the weakening of any State teacher certification or  
14 licensing requirement;

15 “(3) to develop or assist local educational agen-  
16 cies in the development and utilization of proven, in-  
17 novative strategies to deliver intensive professional  
18 development programs that are cost effective and  
19 easily accessible, such as programs offered through  
20 the use of technology and distance learning;

21 “(4) to provide assistance to local educational  
22 agencies for the development and implementation of  
23 innovative professional development programs that  
24 train teachers to use technology to improve teaching

1 and learning and that are consistent with the re-  
2 quirements of section 2019;

3 “(5) to provide professional development to en-  
4 able teachers to ensure that female students, minor-  
5 ity students, limited English proficient students, stu-  
6 dents with disabilities, and economically disadvan-  
7 tagged students have the full opportunity to achieve  
8 challenging State content and performance stand-  
9 ards in the core academic subjects;

10 “(6) to increase the number of women, minori-  
11 ties, and individuals with disabilities who teach in  
12 the State and who are fully qualified and provide in-  
13 struction in core academic subjects in which such in-  
14 dividuals are underrepresented;

15 “(7) to increase the number of highly qualified  
16 women, minorities, and individuals from other  
17 underrepresented groups who are involved in the ad-  
18 ministration of elementary schools and secondary  
19 schools within the State; and

20 “(8) to develop and implement rigorous testing  
21 procedures for teachers, as required in section  
22 2002(1)(A), to ensure that the teachers have teach-  
23 ing skills and academic content knowledge necessary  
24 to teach effectively the content called for by States

1 local standards in all academic subjects in which the  
2 teachers provide instruction.

3 **“SEC. 2016. STATE ADMINISTRATIVE EXPENSES.**

4 “Each State receiving a grant under section 2011(a)  
5 may use not more than 5 percent of the amount set aside  
6 in section 2012(a)(2) for the cost of—

7 “(1) planning and administering the activities  
8 described in section 2013(b); and

9 “(2) making subgrants to local educational  
10 agencies under section 2012.

11 **“SEC. 2017. LOCAL PLANS.**

12 “(a) IN GENERAL.—Each local educational agency  
13 desiring a grant from the State under section 2012(a)(3)  
14 shall submit a local plan to the State educational agency—

15 “(1) at such time, in such manner, and accom-  
16 panied by such information as the State educational  
17 agency may require; and

18 “(2) that describes how the local educational  
19 agency will coordinate the activities for which assist-  
20 ance is sought under this part with other programs  
21 carried out under this Act, or other Acts, as appro-  
22 priate.

23 “(b) LOCAL PLAN CONTENTS.—The local plan de-  
24 scribed in subsection (a) shall, at a minimum—

1           “(1) describe how the local educational agency  
2           will use the grant funds to meet the State perform-  
3           ance objectives for teacher qualifications and profes-  
4           sional development described in section 2014;

5           “(2) describe how the local educational agency  
6           will hold elementary schools and secondary schools  
7           accountable for meeting the requirements described  
8           in this part;

9           “(3) contain an assurance that the local edu-  
10          cational agency will target funds to elementary  
11          schools and secondary schools served by the local  
12          educational agency that—

13               “(A) have the lowest proportion of fully  
14               qualified teachers; and

15               “(B) are identified for school improvement  
16               under section 1116;

17          “(4) describe how the local educational agency  
18          will coordinate professional development activities  
19          authorized under section 2018(a) with professional  
20          development activities provided through other Fed-  
21          eral, State, and local programs, including those au-  
22          thorized under titles I and III and, where applicable,  
23          the Individuals with Disabilities Education Act and  
24          the Carl D. Perkins Vocational and Technical Edu-  
25          cation Act of 1998; and

1           “(5) describe how the local educational agency  
2           has collaborated with teachers, principals, parents,  
3           and administrators in the preparation of the local  
4           plan.

5   **“SEC. 2018. LOCAL ACTIVITIES.**

6           “(a) IN GENERAL.—Each local educational agency  
7           receiving a grant under section 2012(a)(3) shall use the  
8           grant funds to—

9           “(1) support professional development activities,  
10          consistent with section 2019, for—

11                  “(A) teachers, in at least the areas of  
12                  reading, mathematics, and science; and

13                  “(B) teachers, principals, and administra-  
14                  tors in order to provide such individuals with  
15                  the knowledge and skills to provide all students,  
16                  including female students, minority students,  
17                  limited English proficient students, students  
18                  with disabilities, and economically disadvan-  
19                  taged students, with the opportunity to meet  
20                  challenging State content and student perform-  
21                  ance standards;

22                  “(2) provide professional development to teach-  
23                  ers, principals, and administrators to enhance the  
24                  use of technology within elementary schools and sec-



1       ondary schools in order to deliver more effective cur-  
2       ricula instruction;

3               “(3) recruit and retain fully qualified teachers  
4       and highly qualified principals, particularly for ele-  
5       mentary schools and secondary schools located in  
6       areas with high percentages of low-performing stu-  
7       dents and students from families below the poverty  
8       line;

9               “(4) recruit and retain fully qualified teachers  
10      and high quality principals to serve in the elemen-  
11      tary schools and secondary schools with the highest  
12      proportion of low-performing students, such as  
13      through—

14              “(A) mentoring programs for newly hired  
15      teachers and for newly hired principals; and

16              “(B) programs that provide other incen-  
17      tives, including financial incentives, to retain—

18                  “(i) teachers who have a record of  
19                success in helping low-performing students  
20                improve those students’ academic success;  
21                and

22                  “(ii) principals who have a record of  
23                improving the performance of all students,  
24                or significantly narrowing the gaps be-  
25                tween minority students and nonminority

1 students, and economically disadvantaged  
2 students and noneconomically disadvan-  
3 tagged students, within the elementary  
4 schools or secondary schools served by the  
5 principals;

6 “(5) provide professional development that in-  
7 corporates effective strategies, techniques, methods,  
8 and practices for meeting the educational needs of  
9 diverse groups of students, including female stu-  
10 dents, minority students, students with disabilities,  
11 limited English proficient students, and economically  
12 disadvantaged students; and

13 “(6) provide professional development for men-  
14 tal health professionals, including school psycholo-  
15 gists, school counselors, and school social workers,  
16 that is focused on enhancing the skills and knowl-  
17 edge of such individuals so that they may help stu-  
18 dents exhibiting distress (such as substance abuse,  
19 disruptive behavior, and suicidal behavior) meet the  
20 challenging State student performance standards.

21 “(b) OPTIONAL ACTIVITIES.—Each local educational  
22 agency receiving a grant under section 2012(a)(3) may  
23 use the subgrant funds—

24 “(1) to provide a signing bonus or other finan-  
25 cial incentive, such as differential pay for—

1           “(A) a teacher to teach in an academic  
2           subject for which there exists a shortage of fully  
3           qualified teachers within the elementary school  
4           or secondary school in which the teacher teach-  
5           es or within the elementary schools and sec-  
6           ondary schools served by the local educational  
7           agency; or

8           “(B) a highly qualified principal in a  
9           school in which there is a large percentage of  
10          children—

11                   “(i) from low-income families; or

12                   “(ii) with high percentages of low-per-  
13                   formance scores on State assessments;

14          “(2) to establish programs that—

15                   “(A) recruit professionals into teaching  
16                   from other fields and provide such professionals  
17                   with alternative routes to teacher certification,  
18                   especially in the areas of mathematics, science,  
19                   and English language arts; and

20                   “(B) provide increased teaching and ad-  
21                   ministration opportunities for fully qualified fe-  
22                   males, minorities, individuals with disabilities,  
23                   and other individuals underrepresented in the  
24                   teaching or school administration professions;

1           “(3) to establish programs and activities that  
2           are designed to improve the quality of the teacher  
3           and principal force, such as innovative professional  
4           development programs (which may be provided  
5           through partnerships, including partnerships with  
6           institutions of higher education), and including pro-  
7           grams that—

8                   “(A) train teachers and principals to uti-  
9                   lize technology to improve teaching and learn-  
10                  ing; and

11                  “(B) are consistent with the requirements  
12                  of section 2019;

13           “(4) to provide collaboratively designed per-  
14           formance pay systems for teachers and principals  
15           that encourage teachers and principals to work to-  
16           gether to raise student performance;

17           “(5) to establish professional development pro-  
18           grams that provide instruction in how to teach chil-  
19           dren with different learning styles, particularly chil-  
20           dren with disabilities and children with special learn-  
21           ing needs (including children who are gifted and tal-  
22           ented);

23           “(6) to establish professional development pro-  
24           grams that provide instruction in how best to dis-  
25           cipline children in the classroom, and to identify

1 early and appropriate interventions to help children  
2 described in paragraph (5) learn;

3 “(7) to provide professional development pro-  
4 grams that provide instruction in how to teach char-  
5 acter education in a manner that—

6 “(A) reflects the values of parents, teach-  
7 ers, and local communities; and

8 “(B) incorporates elements of good char-  
9 acter, including honesty, citizenship, courage,  
10 justice, respect, personal responsibility, and  
11 trustworthiness;

12 “(8) to provide scholarships or other incentives  
13 to assist teachers in attaining national board certifi-  
14 cation;

15 “(9) to support activities designed to provide ef-  
16 fective professional development for teachers of lim-  
17 ited English proficient students; and

18 “(10) to establish other activities designed—

19 “(A) to improve professional development  
20 for teachers, principals, and administrators that  
21 are consistent with section 2019; and

22 “(B) to recruit and retain fully qualified  
23 teachers and highly qualified principals.

1 **“SEC. 2019. PROFESSIONAL DEVELOPMENT FOR TEACHERS.**

2 “(a) LIMITATION RELATING TO CURRICULUM AND  
3 CONTENT AREAS.—

4 “(1) IN GENERAL.—Except as provided in para-  
5 graph (2), a local educational agency may not use  
6 grant funds allocated under section 2012(a)(3) to  
7 support a professional development activity for a  
8 teacher that is not—

9 “(A) directly related to the curriculum for  
10 which and content areas in which the teacher  
11 provides instruction; or

12 “(B) designed to enhance the ability of the  
13 teacher to understand and use the State’s chal-  
14 lenging content standards for the academic sub-  
15 ject in which the teacher provides instruction.

16 “(2) EXCEPTION.—Paragraph (1) shall not  
17 apply to professional development activities that pro-  
18 vide instruction in methods of disciplining children.

19 “(b) PROFESSIONAL DEVELOPMENT ACTIVITY.—A  
20 professional development activity carried out under this  
21 part shall—

22 “(1) be measured, in terms of progress de-  
23 scribed in section 2014(a), using the specific per-  
24 formance indicators established by the State in ac-  
25 cordance with section 2014;

1           “(2) be tied to challenging State or local con-  
2           tent standards and student performance standards;

3           “(3) be tied to scientifically based research  
4           demonstrating the effectiveness of such activities in  
5           increasing student achievement or substantially in-  
6           creasing the knowledge and teaching skills of teach-  
7           ers;

8           “(4) be of sufficient intensity and duration  
9           (such as not to include 1-day or short-term work-  
10          shops and conferences) to have a positive and lasting  
11          impact on teachers’ performance in the classroom,  
12          except that this paragraph shall not apply to an ac-  
13          tivity that is 1 component described in a long-term  
14          comprehensive professional development plan estab-  
15          lished by a teacher and the teacher’s supervisor, and  
16          based upon an assessment of the needs of the teach-  
17          er, the teacher’s students, and the local educational  
18          agency;

19          “(5) be developed with extensive participation  
20          of teachers, principals, parents, administrators, and  
21          local school boards of elementary schools and sec-  
22          ondary schools to be served under this part, and in-  
23          stitutions of higher education in the State, and, with  
24          respect to any professional development program de-  
25          scribed in paragraph (6) or (7) of section 2018(b),

1 shall, if applicable, be developed with extensive co-  
2 ordination with, and participation of, professionals  
3 with expertise in such type of professional develop-  
4 ment;

5 “(6) to the extent appropriate, provide training  
6 for teachers regarding using technology and applying  
7 technology effectively in the classroom to improve  
8 teaching and learning concerning the curriculum and  
9 academic content areas, in which those teachers pro-  
10 vide instruction; and

11 “(7) be directly related to the content areas in  
12 which the teachers provide instruction and the State  
13 content standards.

14 “(c) ACCOUNTABILITY.—

15 “(1) IN GENERAL.—A State shall notify a local  
16 educational agency that the agency may be subject  
17 to the action described in paragraph (3) if, after any  
18 fiscal year, the State determines that the programs  
19 or activities funded by the agency under this part  
20 fail to meet the requirements of subsections (a) and  
21 (b).

22 “(2) TECHNICAL ASSISTANCE.—A local edu-  
23 cational agency that has received notification pursu-  
24 ant to paragraph (1) may request technical assist-  
25 ance from the State and an opportunity for such



1 local educational agency to comply with the require-  
2 ments of subsections (a) and (b).

3 “(3) STATE EDUCATIONAL AGENCY ACTION.—If  
4 a State educational agency determines that a local  
5 educational agency failed to carry out the local edu-  
6 cational agency’s responsibilities under this section,  
7 the State educational agency shall take such action  
8 as the agency determines to be necessary, consistent  
9 with this section, to provide, or direct the local edu-  
10 cational agency to provide, high-quality professional  
11 development for teachers, principals, and adminis-  
12 trators.

13 **“SEC. 2020. PARENTS’ RIGHT TO KNOW.**

14 “Each local educational agency receiving a grant  
15 under section 2012(a)(3) shall meet the reporting require-  
16 ments with respect to teacher qualifications described in  
17 section 4401(h).

18 **“SEC. 2021. GAO STUDY.**

19 “Not later than September 30, 2005, the Comptroller  
20 General of the United States shall prepare and submit to  
21 the Committee on Education and the Workforce of the  
22 House of Representatives and the Committee on Health,  
23 Education, Labor, and Pensions of the Senate a study set-  
24 ting forth information regarding the progress of States’  
25 compliance in increasing the percentage of fully qualified

1 teachers, as defined in section 2002(1), for fiscal years  
2 2002 through 2004; any obstacles to compliance, and the  
3 approximate percentage of Federal, State, and local re-  
4 sources being expended to carry out activities to attract  
5 and retain fully qualified teachers especially in geographic  
6 areas and content subject areas in which a shortage of  
7 such teachers exist.

8 **“SEC. 2021. EDUCATOR PARTNERSHIP GRANTS.**

9 “(a) SUBGRANTS.—

10 “(1) IN GENERAL.—A State receiving a grant  
11 under section 2011(a) shall award subgrants, on a  
12 competitive basis, from amounts made available  
13 under section 2012(a)(1), to local educational agen-  
14 cies, elementary schools, or secondary schools that  
15 have formed educator partnerships, for the design  
16 and implementation of programs that will enhance  
17 professional development opportunities for teachers,  
18 principals, and administrators, and will increase the  
19 number of fully qualified teachers.

20 “(2) ALLOCATIONS.—A State awarding sub-  
21 grants under this subsection shall allocate the  
22 subgrant funds on a competitive basis and in a man-  
23 ner that results in an equitable distribution of the  
24 subgrant funds by geographic areas within the  
25 State.

1           “(3) ADMINISTRATIVE EXPENSES.—Each edu-  
2           cator partnership receiving a subgrant under this  
3           subsection may use not more than 5 percent of the  
4           subgrant funds for any fiscal year for the cost of  
5           planning and administering programs under this sec-  
6           tion.

7           “(b) EDUCATOR PARTNERSHIPS.—An educator part-  
8           nership described in subsection (a) includes a cooperative  
9           arrangement between—

10           “(1) a public elementary school or secondary  
11           school (including a charter school), or a local edu-  
12           cational agency; and

13           “(2) 1 or more of the following:

14                   “(A) An institution of higher education.

15                   “(B) An educational service agency.

16                   “(C) A public or private not-for-profit edu-  
17           cation organization.

18                   “(D) A for-profit education organization.

19                   “(E) An entity from outside the traditional  
20           education arena, including a corporation or con-  
21           sulting firm.

22           “(c) USE OF FUNDS.—An educator partnership re-  
23           ceiving a subgrant under this section shall use the  
24           subgrant funds for one or more of the following activities:

1           “(1) Developing and enhancing of professional  
2           development activities for teachers in core academic  
3           subjects to ensure that the teachers have content  
4           knowledge in the academic subjects in which the  
5           teachers provide instruction.

6           “(2) Developing or enhancing professional de-  
7           velopment activities for mathematics and science  
8           teachers to ensure that such teachers have the con-  
9           tent knowledge to teach mathematics and science.

10          “(3) Developing and providing assistance to  
11          local educational agencies and elementary schools  
12          and secondary schools for sustained, high-quality  
13          professional development activities for teachers, prin-  
14          cipals, and administrators, that—

15               “(A) ensure that teachers, principals, and  
16               administrators are able to use State content  
17               standards, performance standards, and assess-  
18               ments to improve instructional practices and  
19               student achievement; and

20               “(B) may include intensive programs de-  
21               signed to prepare a teacher who participates in  
22               such a program to provide professional develop-  
23               ment instruction to other teachers within the  
24               participating teacher’s school.

1           “(4) Increasing the number of fully qualified  
2 teachers available to provide high-quality education  
3 to limited English proficient students by—

4           “(A) working with institutions of higher  
5 education that offer degree programs, to attract  
6 more people into such programs, and to prepare  
7 better new, English language teachers to pro-  
8 vide effective language instruction to limited  
9 English proficient students; and

10          “(B) supporting development and imple-  
11 mentation of professional development pro-  
12 grams for language instruction teachers to im-  
13 prove the language proficiency of limited  
14 English proficient students.

15          “(5) Developing and implementing professional  
16 development activities for principals and administra-  
17 tors to enable the principals and administrators to  
18 be effective school leaders and to improve student  
19 achievement on challenging State content and stu-  
20 dent performance standards, including professional  
21 development relating to—

22           “(A) leadership skills;

23           “(B) recruitment, assignment, retention,  
24 and evaluation of teachers and other staff;

1                   “(C) effective instructional practices, in-  
2                   cluding the use of technology; and

3                   “(D) parental and community involvement.

4                   “(6) Providing activities that enhance profes-  
5                   sional development opportunities for teachers, prin-  
6                   cipals, and administrators or will increase the num-  
7                   ber of fully qualified teachers.

8                   “(d) APPLICATION REQUIRED.—Each educator part-  
9                   nership desiring a subgrant under this section shall submit  
10                  an application to the appropriate State educational agency  
11                  at such time, in such manner, and accompanied by such  
12                  information as the State educational agency may reason-  
13                  ably require.

14                  “(e) COORDINATION.—Each educator partnership  
15                  that receives a subgrant under this section and a grant  
16                  under section 203 of the Higher Education Act of 1965  
17                  shall coordinate the activities carried out under such sec-  
18                  tion 203 with any related activities carried out under this  
19                  section.

20                  **“SEC. 2023. AUTHORIZATION OF APPROPRIATIONS.**

21                  ““There are authorized to be appropriated to carry out  
22                  this part \$2,000,000,000 for fiscal year 2002 and such  
23                  sums as may be necessary for each of the 4 succeeding  
24                  fiscal years.

1                   **“PART B—CLASS SIZE REDUCTION**

2   **“SEC. 2031. FINDINGS.**

3           “Congress makes the following findings:

4               “(1) Rigorous research has shown that students  
5           attending small classes in the early grades make  
6           more rapid educational gains than students in larger  
7           classes, and that those gains persist through at least  
8           the eighth grade.

9               “(2) The benefits of smaller classes are greatest  
10          for lower-achieving, minority, poor, and inner-city  
11          children, as demonstrated by a study that found that  
12          urban fourth graders in smaller-than-average classes  
13          were  $\frac{3}{4}$  of a school year ahead of their counterparts  
14          in larger-than-average classes.

15              “(3) Teachers in small classes can provide stu-  
16          dents with more individualized attention, spend more  
17          time on instruction and less time on other tasks, and  
18          cover more material effectively, and are better able  
19          to work with parents to further their children’s edu-  
20          cation, than teachers in large classes.

21              “(4) Smaller classes allow teachers to identify  
22          and work with students who have learning disabili-  
23          ties sooner than is possible with larger classes, po-  
24          tentially reducing those students’ needs for special  
25          education services in the later grades.

1           “(5) The National Research Council report,  
2           ‘Preventing Reading Difficulties in Young Children’,  
3           recommends reducing class sizes, accompanied by  
4           providing high-quality professional development for  
5           teachers, as a strategy for improving student  
6           achievement in reading.

7           “(6) Efforts to improve educational outcomes  
8           by reducing class sizes in the early grades are likely  
9           to be successful only if well-qualified teachers are  
10          hired to fill additional classroom positions, and if  
11          teachers receive intensive, ongoing professional de-  
12          velopment.

13          “(7) Several States and school districts have  
14          begun serious efforts to reduce class sizes in the  
15          early elementary school grades, but those efforts  
16          may be impeded by financial limitations or difficul-  
17          ties in hiring highly qualified teachers.

18          “(8) The Federal Government can assist in  
19          those efforts by providing funding for class size re-  
20          ductions in grades 1 through 3, and by helping to  
21          ensure that both new and current teachers who are  
22          moving into smaller classrooms are well prepared.

23   **“SEC. 2032. PURPOSE.**

24          “The purpose of this part is to help States and local  
25          educational agencies to reduce class size with fully quali-



1 fied teachers. Each local educational agency that receives  
2 funds under this part shall—

3 “(1) use such funds to carry out effective ap-  
4 proaches to reducing class size with fully qualified  
5 teachers who are certified within the State, including  
6 teachers certified through State or local alternative  
7 routes;

8 “(2) demonstrate competency in the areas in  
9 which they teach; and

10 “(3) improve educational achievement for both  
11 regular and special needs children, with particular  
12 consideration given to reducing class size in the  
13 early elementary grades for which some research has  
14 shown class size reduction is most effective.

15 **“SEC. 2033. ALLOTMENTS TO STATES.**

16 “(a) RESERVATIONS FOR THE OUTLYING AREAS AND  
17 THE BUREAU OF INDIAN AFFAIRS.—From the amount  
18 appropriated under section 2042 for any fiscal year, the  
19 Secretary shall reserve a total of not more than 1 percent  
20 to make payments to—

21 “(1) outlying areas, on the basis of their respec-  
22 tive needs, for activities, approved by the Secretary,  
23 consistent with this part; and

24 “(2) the Secretary of the Interior for activities  
25 approved by the Secretary of Education, consistent

1 with this part, in schools operated or supported by  
2 the Bureau of Indian Affairs, on the basis of their  
3 respective needs.

4 “(b) ALLOTMENTS TO STATES.—

5 “(1) IN GENERAL.—From the amount appro-  
6 priated under section 2042 for a fiscal year and re-  
7 maining after the Secretary makes reservations  
8 under subsection (a), the Secretary shall make  
9 grants by allotting to each State having a State ap-  
10 plication approved under section 2034(c) an amount  
11 that bears the same relationship to the remainder as  
12 the greater of the amounts that the State received  
13 in the preceding fiscal year under sections 1122 and  
14 2202(b) (as such sections were in effect on the day  
15 preceding the date of enactment of the Public Edu-  
16 cation Reinvestment, Reinvention, and Rededication  
17 Act) bears to the total of the greater amounts that  
18 all States received under such sections for the pre-  
19 ceding fiscal year.

20 “(2) RATABLE REDUCTION.—If the sums made  
21 available under paragraph (1) for any fiscal year are  
22 insufficient to pay the full amounts that all States  
23 are eligible to receive under paragraph (1) for such  
24 year, the Secretary shall ratably reduce such  
25 amounts for such year.

1           “(3) REALLOTMENT.—If any State chooses not  
2           to participate in the program carried out under this  
3           part, or fails to submit an approvable application  
4           under this part, the Secretary shall realLOT the  
5           amount that such State would have received under  
6           paragraphs (1) and (2) to States having applications  
7           approved under section 2034(c), in accordance with  
8           paragraphs (1) and (2).

9   **“SEC. 2034. APPLICATIONS.**

10          “(a) APPLICATIONS REQUIRED.—The State edu-  
11          cational agency for each State desiring a grant under this  
12          part shall submit an application to the Secretary at such  
13          time, in such form, and containing such information as  
14          the Secretary may require.

15          “(b) CONTENTS.—The application shall include—

16                “(1) a description of the State’s goals for using  
17                funds under this part to reduce average class sizes  
18                in regular classrooms in grades 1 through 3, includ-  
19                ing a description of class sizes in those classrooms,  
20                for each local educational agency in the State (as of  
21                the date of submission of the application);

22                “(2) a description of how the State educational  
23                agency will allocate program funds made available  
24                through the grant within the State;

1           “(3) a description of how the State will use  
2           other funds, including other Federal funds, to re-  
3           duce class sizes and to improve teacher quality and  
4           reading achievement within the State; and

5           “(4) an assurance that the State educational  
6           agency will submit to the Secretary such reports and  
7           information as the Secretary may reasonably re-  
8           quire.

9           “(c) APPROVAL OF APPLICATIONS.—The Secretary  
10          shall approve a State application submitted under this sec-  
11          tion if the application meets the requirements of this sec-  
12          tion and holds reasonable promise of achieving the purpose  
13          of this part.

14          “(d) Not later than 30 days after the date of the en-  
15          actment of this Act, the Secretary shall provide specific  
16          notification to each local educational agency eligible to re-  
17          ceive funds under section 2037(b)(2)(B) and the ability  
18          to use such funds to carry out activities under section  
19          2037(b)(1)(C).

20          **“SEC. 2035. WITHIN-STATE ALLOCATIONS.**

21          “(a) ALLOCATIONS TO LOCAL EDUCATIONAL AGEN-  
22          CIES.—Each State receiving a grant under this part for  
23          any fiscal year may reserve not more than 1 percent of  
24          the grant funds for the cost of administering this part  
25          and, using the remaining funds, shall make subgrants by

1 allocating to each local educational agency in the State  
2 the sum of—

3           “(1) an amount that bears the same relation-  
4 ship to 80 percent of the remainder as the school-  
5 age population from families with incomes below the  
6 poverty line in the area served by the local edu-  
7 cational agency bears to the school-age population  
8 from families with incomes below the poverty line in  
9 the area served by all local educational agencies in  
10 the State; and

11           “(2) an amount that bears the same relation-  
12 ship to 20 percent of the remainder as the enroll-  
13 ment of the school-age population in public and pri-  
14 vate nonprofit elementary schools and secondary  
15 schools in the area served by the local educational  
16 agency bears to the enrollment of the school-age  
17 population in public and private nonprofit elemen-  
18 tary schools and secondary schools in the area  
19 served by all local educational agencies in the State.

20           “(b) REALLOCATION.—If any local educational agen-  
21 cy chooses not to participate in the program carried out  
22 under this part, or fails to submit an approvable applica-  
23 tion under this part, the State educational agency shall  
24 reallocate the amount such local educational agency would  
25 have received under subsection (a) to local educational

1 agencies having applications approved under section  
2 2036(b), in accordance with subsection (a).

3 **“SEC. 2036. LOCAL APPLICATIONS.**

4       “(a) IN GENERAL.—Each local educational agency  
5 desiring a subgrant under section 2035(a) shall submit an  
6 application to the appropriate State educational agency at  
7 such time, in such form, and containing such information  
8 as the State educational agency may require, including a  
9 description of the local educational agency’s program to  
10 reduce class sizes by hiring additional highly qualified  
11 teachers.

12       “(b) APPROVAL OF APPLICATIONS.—The State edu-  
13 cational agency shall approve a local agency application  
14 submitted under subsection (a) if the application meets  
15 the requirements of subsection (a) and holds reasonable  
16 promise of achieving the purpose of this part.

17 **“SEC. 2037. USES OF FUNDS.**

18       “(a) ADMINISTRATIVE EXPENSES.—Each local edu-  
19 cational agency receiving a subgrant under section  
20 2035(a) may use not more than 3 percent of the subgrant  
21 funds for any fiscal year for the cost of administering this  
22 part.

23       “(b) LOCAL ACTIVITIES.—

1           “(1) IN GENERAL.—Each local educational  
2           agency receiving subgrant funds under this section  
3           may use such subgrant funds for—

4                   “(A) recruiting (including through the use  
5                   of signing bonuses, and other financial incen-  
6                   tives), hiring, and training fully qualified reg-  
7                   ular and special education teachers (which may  
8                   include hiring special education teachers to  
9                   team-teach with regular teachers in classrooms  
10                  that contain both children with disabilities and  
11                  non-disabled children) and teachers of special-  
12                  needs children, who are certified within the  
13                  State, including teachers who are certified  
14                  through State or local alternative routes, have  
15                  a bachelor’s degree, and demonstrate the gen-  
16                  eral knowledge, teaching skills, and subject  
17                  matter knowledge required to teach in the con-  
18                  tent areas in which the teachers provide in-  
19                  struction;

20                   “(B) testing new teachers for academic  
21                   content knowledge and satisfaction of State cer-  
22                   tification requirements consistent with title II  
23                   of the Higher Education Act of 1965; and

1           “(C) providing professional development  
2           which may include such activities as those de-  
3           scribed in section 2018.

4           “(2) LIMITATIONS.—

5           “(A) IN GENERAL.—Except as provided in  
6           subparagraph (B), a local educational agency  
7           may use not more than a total of 25 percent of  
8           the award received under this section for activi-  
9           ties described in subparagraphs (A) and (B) of  
10          paragraph (1).

11          “(B) A local educational agency in which  
12          10 percent or more of teachers in elementary  
13          schools, as defined by section 8101(14) of the  
14          Elementary and Secondary Education Act of  
15          1965, have not more applicable State and local  
16          certification requirements (including certifi-  
17          cation through State or local alternative  
18          routes), or if such requirements have been  
19          waived, may use more than 25 percent of the  
20          funds it receives under this section for activities  
21          described in subparagraph (A)(iii) to help  
22          teachers who are not certified by the State be-  
23          come certified, including through State or local  
24          alternative routes, or to help teachers affected  
25          by class size reduction who lack sufficient con-



1           tent knowledge to teach effectively in the areas  
2           they teach to obtain that knowledge, if the local  
3           educational agency notifies the State edu-  
4           cational agency of the percentage of the funds  
5           that it will use for the purpose described in this  
6           clause.

7           “(3) ADDITIONAL USES.—

8                 “(A) IN GENERAL.—A local educational  
9           agency that has already reduced class size in  
10          the early grades to 18 or less children (or has  
11          already reduced class size to a State or local  
12          class size reduction goal that was in effect on  
13          the day before the enactment of the Depart-  
14          ment of Education Appropriations Act, 2000, if  
15          that State or local educational agency goal is 20  
16          or fewer children) may use funds received under  
17          this section—

18                         “(i) to make further class size reduc-  
19                         tions in grades kindergarten through 3;

20                         “(ii) to reduce class size in other  
21                         grades; or

22                         “(iii) to carry out activities to improve  
23                         teacher quality, including professional de-  
24                         velopment.

1                   “(B) PROFESSIONAL DEVELOPMENT.—If a  
2                   local educational agency has already reduced  
3                   class size in the early grades to 18 or fewer  
4                   children and intends to use funds provided  
5                   under this Part to carry out professional devel-  
6                   opment activities, including activities to improve  
7                   teacher quality, then the State shall make the  
8                   award under section 2035 to the local edu-  
9                   cational agency.

10           “(c) SPECIAL RULE.—Notwithstanding subsection  
11 (b), if the award to a local educational agency under sec-  
12 tion 2035 is less than the starting salary for a new fully  
13 qualified teacher teaching in a school served by that agen-  
14 cy, and such teacher is certified within the State (which  
15 may include certification through State or local alternative  
16 routes), has a bachelor’s degree, and demonstrates the  
17 general knowledge, teaching skills, and subject matter  
18 knowledge required to teach in the content areas the  
19 teacher is assigned to provide instruction, then the agency  
20 may use grant funds under this part to—

21                   “(1) help pay the salary of a full- or part-time  
22                   teacher hired to reduce class size, which may be in  
23                   combination with other Federal, State, or local  
24                   funds; or

1           “(2) pay for activities described in subsection  
2       (b), which may be related to teaching in smaller  
3       classes.

4   **“SEC. 2038. PRIVATE SCHOOLS.**

5       “If a local educational agency uses funds made avail-  
6   able under this Part for professional development activi-  
7   ties, the local educational agency shall ensure the equitable  
8   participation of private nonprofit elementary schools and  
9   secondary schools in such activities.

10   **“SEC. 2039. TEACHER SALARIES AND BENEFITS.**

11       “A local educational agency may use grant funds pro-  
12   vided under this part—

13           “(1) except as provided in paragraph (2) of sec-  
14   tion 2037(b), to increase the salaries of, or provide  
15   benefits (other than participation in professional de-  
16   velopment and enrichment programs) to, teachers  
17   only if such teachers were hired under this part; and

18           “(2) to pay the salaries of teachers hired under  
19   section 307 of the Department of Education Appro-  
20   priations Act of 1999 or under section 310 of the  
21   Department of Education Appropriations Act 2000  
22   who, not later than the beginning of the 2001–2002  
23   school year, are fully qualified, as defined in section  
24   2002(1).

1   **“SEC. 2040. STATE REPORT REQUIREMENTS.**

2       “(a) REPORT ON ACTIVITIES.—A State educational  
3 agency receiving funds under this part shall submit a re-  
4 port to the Secretary providing information about the ac-  
5 tivities in the State assisted under this part.

6       “(b) PROHIBITION.—No funds under this section  
7 may be used to pay the salary of any teacher hired with  
8 funds under section 307 of the Department of Education  
9 Appropriations Act, 1999, unless, by the start of the  
10 2001–2002 school year, the teacher is certified within the  
11 State (which may include certification through State or  
12 local alternative routes) and demonstrates competency in  
13 the subject areas in which the teacher teaches.

14       “(c) REPORT TO PARENTS.—Each State educational  
15 agency and local educational agency receiving funds under  
16 this part shall publicly issue a report to parents of children  
17 who attend schools assisted under this part describing—

18           “(1) the agency’s progress in reducing class  
19 size;

20           “(2) the agency’s progress in increasing the  
21 percentage of classes in core academic areas that are  
22 taught by fully qualified teachers who are certified  
23 within the State and demonstrate competency in the  
24 content areas in which the teachers provide instruc-  
25 tion; and

1           “(3) the impact, if any, that hiring additional  
2           highly qualified teachers and reducing class size has  
3           had on increasing student academic achievement in  
4           schools served by the agency.

5           “(c) PROFESSIONAL QUALIFICATIONS REPORT.—  
6           Upon the request of a parent of a child attending a school  
7           receiving assistance under this part, such school shall pro-  
8           vide the parent with information regarding the profes-  
9           sional qualifications of their child’s teacher.

10       **“SEC. 2041. SUPPLEMENT NOT SUPPLANT.**

11           “Each local educational agency receiving grant funds  
12           under this part shall use such funds only to supplement,  
13           and not to supplant, State and local funds that, in the  
14           absence of such funds, would otherwise be spent for activi-  
15           ties under this part.

16       **“SEC. 2042. AUTHORIZATION OF APPROPRIATIONS.**

17           “For the purpose of carrying out this part, there are  
18           authorized to be appropriated \$1,623,000,000 for fiscal  
19           year 2002, and such sums as may be necessary for each  
20           of the 4 succeeding fiscal years.”.

1 **TITLE III—LANGUAGE MINORITY**  
2 **STUDENTS AND INDIAN, NA-**  
3 **TIVE HAWAIIAN, AND ALASKA**  
4 **NATIVE EDUCATION**

5 **SEC. 301. LANGUAGE MINORITY STUDENTS.**

6 Title III (20 U.S.C. 6801 et seq.) is amended—

7 (1) by amending the heading for title III to  
8 read as follows:

9 **“TITLE III—LANGUAGE MINOR-**  
10 **ITY STUDENTS AND INDIAN,**  
11 **NATIVE HAWAIIAN, AND ALAS-**  
12 **KA NATIVE EDUCATION”;**

13 (2) by repealing section 3101 (20 U.S.C. 6801)  
14 and part A (20 U.S.C. 6811 et seq.); and

15 (3) by inserting after the heading for title III  
16 (as amended by paragraph (1)) the following:

17 **“PART A—LANGUAGE MINORITY STUDENTS**

18 **“SEC. 3101. FINDINGS, POLICY, AND PURPOSE.**

19 “(a) FINDINGS.—Congress makes the following find-  
20 ings:

21 “(1)(A) Educating limited English proficient  
22 students is an urgent goal for many local edu-  
23 cational agencies, but that goal is not being  
24 achieved.

1           “(B) Each year, 640,000 limited English pro-  
2           ficient students are not served by any sort of pro-  
3           gram targeted to the students’ unique needs.

4           “(C) In 1998, only 15 percent of local edu-  
5           cational agencies that applied for funding under en-  
6           hancement grants and comprehensive school grants  
7           received such funding.

8           “(2)(A) The school dropout rate for Hispanic  
9           students, the largest group of limited English pro-  
10          ficient students, is approximately 29 percent, and is  
11          approximately 44 percent for Hispanic students born  
12          outside of the United States.

13          “(B) A United States Department of Education  
14          report regarding school dropout rates states that  
15          language difficulty ‘may be a barrier to participation  
16          in United States schools’.

17          “(C) Reading ability is a key predictor of grad-  
18          uation and academic success.

19          “(3) Through fiscal year 1999, bilingual edu-  
20          cation capacity and demonstration grants—

21                 “(A) have spread funding too broadly to  
22                 make an impact on language instruction edu-  
23                 cational programs implemented by State edu-  
24                 cational agencies and local educational agencies;  
25                 and

1           “(B) have lacked concrete performance  
2           measures.

3           “(4)(A) Since 1979, the number of limited  
4           English proficient children in schools in the United  
5           States has doubled to more than 3,000,000, and de-  
6           mographic trends indicate the population of limited  
7           English proficient children will continue to increase.

8           “(B) Language-minority Americans speak vir-  
9           tually all world languages plus many that are indige-  
10          nous to the United States.

11          “(C) The rich linguistic diversity language-mi-  
12          nority students bring to America’s classrooms en-  
13          hances the learning environment for all students and  
14          should be valued for the significant, positive impact  
15          such diversity has on the entire school environment.

16          “(D) Parent and community participation in  
17          educational language programs for limited English  
18          proficient students contributes to program effective-  
19          ness.

20          “(E) The Federal Government, as reflected in  
21          title VI of the Civil Rights Act of 1964 (42 U.S.C.  
22          2000d et seq.) and section 204(f) of the Equal Edu-  
23          cation Opportunities Act of 1974 (20 U.S.C. 1703),  
24          has a special and continuing obligation to ensure  
25          that States and local educational agencies take ap-



1       appropriate action to provide equal educational oppor-  
2       tunities to limited English proficient children and  
3       youth.

4               “(F) The Federal Government also, as exempli-  
5       fied by programs authorized under this title, has a  
6       special and continuing obligation to assist States  
7       and local educational agencies to develop the capac-  
8       ity to provide programs of instruction that offer lim-  
9       ited English proficient children and youth equal edu-  
10      cational opportunities.

11              “(5) Limited English proficient children and  
12      youth face a number of challenges in receiving an  
13      education that will enable them to participate fully  
14      in American society, including—

15              “(A) disproportionate attendance in high-  
16      poverty schools, as demonstrated by the fact  
17      that, in 1994, 75 percent of limited English  
18      proficient students attended schools in which at  
19      least half of all students were eligible for free  
20      or reduced-price meals;

21              “(B) the limited ability of parents of such  
22      children and youth to participate fully in the  
23      education of their children because of the par-  
24      ents’ own limited English proficiency;

1           “(C) a shortage of teachers and other staff  
2           who are professionally trained and qualified to  
3           serve such children and youth; and

4           “(D) lack of appropriate performance and  
5           assessment standards that distinguish between  
6           language and academic achievement so that  
7           there is equal accountability on the part of  
8           State educational agencies and local educational  
9           agencies for the achievement of limited English  
10          proficient students in academic content while  
11          acquiring English language skills.

12          “(b) POLICY.—Congress declares it to be the policy  
13          of the United States that in order to ensure equal edu-  
14          cational opportunity for all children and youth, and to pro-  
15          mote educational excellence, the Federal Government  
16          should—

17               “(1) assist State educational agencies, local  
18               educational agencies, and community-based organi-  
19               zations to build their capacity to establish, imple-  
20               ment, and sustain programs of instruction and  
21               English language development for children and  
22               youth of limited English proficiency;

23               “(2) hold State educational agencies and local  
24               educational agencies accountable for increases in

1 English proficiency and core content knowledge  
2 among limited English proficient students; and

3 “(3) promote parental and community partici-  
4 pation in limited English proficiency programs.

5 “(c) PURPOSE.—The purposes of this part are to—

6 “(1) assist all limited English proficient stu-  
7 dents in attaining English proficiency;

8 “(2) help all limited English proficient students  
9 develop high levels of attainment in the academic  
10 core subjects so that those students can meet the  
11 same challenging State content standards and chal-  
12 lenging State student performance standards ex-  
13 pected for all children as required by section  
14 1111(b); and

15 “(3) help local educational agencies develop and  
16 enhance their capacity to provide high quality in-  
17 struction in teaching limited English proficient chil-  
18 dren in achieving the same high levels of academic  
19 achievement as other children by—

20 “(A) streamlining existing language in-  
21 struction programs into a performance-based  
22 grant for State and local educational agencies  
23 to help limited English proficient students be-  
24 come proficient in English;

1           “(B) increasing significantly the amount of  
2           Federal assistance to local educational agencies  
3           serving such students while requiring that State  
4           educational agencies and local educational agen-  
5           cies demonstrate annual improvements in the  
6           English proficiency of such students from the  
7           preceding fiscal year and making adequate  
8           yearly progress with limited English proficient  
9           students in the subject areas of core content  
10          knowledge as described in section 111; and

11          “(C) providing State educational agencies  
12          and local educational agencies with the flexi-  
13          bility to implement instructional programs  
14          based on scientific research that the agencies  
15          believe to be the most effective for teaching  
16          English.

17   **“SEC. 3102. DEFINITIONS.**

18          “Except as otherwise provided, for purposes of this  
19   part:

20          “(1) LIMITED ENGLISH PROFICIENT STU-  
21   DENT.—The term ‘limited English proficient stu-  
22   dent’ means an individual aged 5 through 17 en-  
23   rolled in an elementary school or secondary school—

24          “(A) who—

1 “(i) was not born in the United States  
2 or whose native language is a language  
3 other than English; or

4 “(ii) is a Native American or Alaska  
5 Native, or who is a native resident of the  
6 outlying areas and comes from an environ-  
7 ment where a language other than English  
8 has had a significant impact on such indi-  
9 vidual’s level of English language pro-  
10 ficiency; or

11 “(iii) is migratory and whose native  
12 language is other than English, and who  
13 comes from an environment where a lan-  
14 guage other than English is dominant; and

15 “(B) who has sufficient difficulty speaking,  
16 reading, writing, or understanding the English  
17 language, and whose difficulties may deny such  
18 individual the opportunity to learn successfully  
19 in classrooms where the language of instruction  
20 is English or to participate fully in our society.

21 “(2) PROFICIENT.—A student’s skills in  
22 English are sufficient to allow such student to attain  
23 the proficient level of performance in content areas.

24 “(3) LANGUAGE INSTRUCTION EDUCATIONAL  
25 PROGRAM.—The term ‘language instruction edu-

1        cational program’ means an instructional course in  
 2        which a limited English proficient student is placed  
 3        for the purpose of becoming proficient in the  
 4        English language.

5            “(4) SPECIALLY QUALIFIED AGENCY.—The  
 6        term ‘specially qualified agency’ means a local edu-  
 7        cational agency in a State that does not participate  
 8        in a program under this part for a fiscal year.

9            “(5) STATE.—The term ‘State’ means each of  
 10       the several States of the United States, the District  
 11       of Columbia, and the Commonwealth of Puerto Rico.

12    **“SEC. 3103. PROGRAM AUTHORIZED.**

13        “(a) GRANTS AUTHORIZED.—The Secretary shall  
 14        award grants, from allotments under subsection (b), to  
 15        each State having a State plan approved under section  
 16        3105(c), to enable the State to help limited English pro-  
 17        ficient students become proficient in English.

18        “(b) RESERVATIONS AND ALLOTMENTS.—

19            “(1) RESERVATIONS.—From the amount appro-  
 20        priated under section 3110 to carry out this part for  
 21        each fiscal year, the Secretary shall reserve—

22            “(A)  $\frac{1}{2}$  of 1 percent of such amount for  
 23        payments to the Secretary of the Interior for  
 24        activities approved by the Secretary, consistent  
 25        with this part, in schools operated or supported

1 by the Bureau of Indian Affairs, on the basis  
2 of their respective needs for assistance under  
3 this part; and

4 “(B)  $\frac{1}{2}$  of 1 percent of such amount for  
5 payments to outlying areas, to be allotted in ac-  
6 cordance with their respective needs as deter-  
7 mined by the Secretary, for activities, approved  
8 by the Secretary, consistent with this part.

9 “(2) STATE ALLOTMENTS.—From the amount  
10 appropriated under section 3110 for any of the fiscal  
11 years 2002 through 2006 that remains after making  
12 reservations under paragraph (1), the Secretary  
13 shall allot to each State having a State plan ap-  
14 proved under section 3105(c) an amount that bears  
15 the same relationship to the remainder as the num-  
16 ber of limited English proficient students in the  
17 State bears to the number of limited English pro-  
18 ficient students in all States.

19 “(3) DATA.—For the purpose of determining  
20 the number of limited English proficient students in  
21 a State and in all States for each fiscal year, the  
22 Secretary shall use data that will yield the most ac-  
23 curate, up-to-date numbers of such students,  
24 including—

1           “(A) data available from the Bureau of the  
2           Census; or

3           “(B) data submitted to the Secretary by  
4           the States to determine the number of limited  
5           English proficient students in a State and in all  
6           States.

7           “(4) HOLD-HARMLESS AMOUNTS.—For fiscal  
8           year 2002, and for each of the 4 succeeding fiscal  
9           years, notwithstanding paragraph (2), the total  
10          amount allotted to each State under this subsection  
11          shall be not less than 85 percent of the total amount  
12          the State was allotted under parts A and B of title  
13          VII (as such title was in effect on the day preceding  
14          the date of enactment of the Public Education Rein-  
15          vestment, Reinvention, and Responsibility Act  
16          (Three R’s)).

17          “(c) DIRECT AWARDS TO SPECIALLY QUALIFIED  
18          AGENCIES.—

19               “(1) NONPARTICIPATING STATE.—If a State  
20               educational agency for a fiscal year elects not to par-  
21               ticipate in a program under this part, or does not  
22               have an application approved under section 3105(c),  
23               a specially qualified agency in such State desiring a  
24               grant under this part for the fiscal year shall apply



1 directly to the Secretary to receive a grant under  
2 this subsection.

3 “(2) DIRECT AWARDS.—The Secretary may  
4 award, on a competitive basis, the amount the State  
5 educational agency is eligible to receive under sub-  
6 section (b)(2) directly to specially qualified agencies  
7 in the State desiring a grant under paragraph (1)  
8 and having an application approved under section  
9 3105(c).

10 “(3) ADMINISTRATIVE FUNDS.—A specially  
11 qualified agency that receives a direct grant under  
12 this subsection may use not more than 1 percent of  
13 the grant funds for the administrative costs of car-  
14 rying out this part in the first year the agency re-  
15 ceives a grant under this subsection and 0.5 percent  
16 for such costs in the second and each succeeding  
17 such year.

18 **“SEC. 3104. WITHIN-STATE ALLOCATIONS.**

19 “(a) GRANT AWARDS.—Each State educational agen-  
20 cy receiving a grant under section 3103(a) shall use 95  
21 percent of the grant funds to award subgrants, from allot-  
22 ments under subsection (b), to local educational agencies  
23 in the State to carry out the activities described in section  
24 3107.

1       “(b) ALLOTMENT FORMULA.—Each State edu-  
2 cational agency receiving a grant under this part shall  
3 award a grant to each local educational agency in the  
4 State having a plan approved under section 3106 in an  
5 amount that bears the same relationship to the amount  
6 of funds appropriated under section 3110 as the school-  
7 age population of limited English proficient students in  
8 schools served by the local educational agency bears to the  
9 school-age population of limited English proficient stu-  
10 dents in schools served by all local educational agencies  
11 in the State.

12       “(c) RESERVATIONS.—

13           “(1) STATE ACTIVITIES.—Each State edu-  
14 cational agency receiving a grant under this part  
15 may reserve not more than 5 percent of the grant  
16 funds to carry out activities described in the State  
17 plan submitted under section 3105.

18           “(2) ADMINISTRATIVE EXPENSES.—From the  
19 amount reserved under paragraph (1), a State edu-  
20 cational agency may use not more than 2 percent for  
21 the planning costs and administrative costs of car-  
22 rying out the activities described in the State plan  
23 and providing grants to local educational agencies.

1 **“SEC. 3105. STATE AND SPECIALLY QUALIFIED AGENCY**  
2 **PLAN.**

3 “(a) PLAN REQUIRED.—Each State educational  
4 agency and specially qualified agency desiring a grant  
5 under this part shall submit a plan to the Secretary at  
6 such time, in such manner and accompanied by such infor-  
7 mation as the Secretary may require.

8 “(b) CONTENTS.—Each State plan submitted under  
9 subsection (a) shall—

10 “(1) describe how the State or specially quali-  
11 fied agency will—

12 “(A) establish rigorous standards and an-  
13 nual benchmarks for English language develop-  
14 ment in each of the domains of speaking, read-  
15 ing, writing, and listening; for each domain  
16 there shall be at least 3 benchmarks of per-  
17 formance: not proficient, partially proficient,  
18 and proficient;

19 “(B) develop and implement a system of  
20 high-quality, annual assessments to measure  
21 the development of English language proficiency  
22 in the domains of speaking, listening, reading,  
23 and writing;

24 “(C) develop annual performance bench-  
25 marks, based on the English language develop-  
26 ment standards described in subparagraph (A),

1 to raise the level of English proficiency of each  
2 limited English proficient student;

3 “(2) contain an assurance that the State edu-  
4 cational agency or specially qualified agency con-  
5 sulted with local educational agencies, education-re-  
6 lated community groups and nonprofit organizations,  
7 parents, teachers, school administrators, and  
8 English language instruction specialists, in the set-  
9 ting of the performance benchmarks;

10 “(3) describe how—

11 “(A) in the case of a State educational  
12 agency, the State educational agency will hold  
13 local educational agencies and elementary  
14 schools and secondary schools accountable for—

15 “(i) ensuring that each student en-  
16 rolled in a program or classroom is making  
17 substantial and continuous progress in at-  
18 taining English language proficiency in  
19 each of the

20 “(ii) making adequate yearly progress  
21 with limited English proficient students in  
22 the subject areas of core content knowl-  
23 edge measured by the assessments required  
24 in section 1111; and

1           “(B) in the case of a specially qualified agency,  
2           the agency will hold elementary schools and sec-  
3           ondary schools accountable for ensuring that each  
4           student enrolled in a program or classroom making  
5           substantial and continuous progress in attaining  
6           English language proficiency in each of the 4 do-  
7           mains and making adequate yearly progress in the  
8           subject areas of core content knowledge measure by  
9           the assessments required by section 1111.

10           “(4) describe the activities for which assistance  
11           is sought, and how the activities will increase the  
12           speed and effectiveness with which students learn  
13           English;

14           “(5) in the case of a State educational agency,  
15           describe how local educational agencies will be given  
16           the flexibility to teach English—

17           “(A) using language instruction curriculum  
18           that through scientific research has been dem-  
19           onstrated to be effective; and

20           “(B) employing instructional methods and  
21           strategy that the local educational agencies de-  
22           termine to be the most effective; and

23           “(6) describe how—

24           “(A) in the case of a State educational  
25           agency, the State educational agency will pro-

1           vide technical assistance to local educational  
2           agencies and elementary schools and secondary  
3           schools for the purposes of identifying and im-  
4           plementing English language instruction edu-  
5           cational programs and curricula that are sci-  
6           entifically research based; and

7           “(B) provide technical assistance to local  
8           educational agencies and elementary and sec-  
9           ondary schools for the purposes of helping lim-  
10          ited English proficient students meet the same  
11          challenging State content standards and chal-  
12          lenging State student performance standards  
13          expected of all children.

14          “(C) in the case of a specially qualified  
15          agency, the specially qualified agency will pro-  
16          vide technical assistance to elementary schools  
17          and secondary schools served by the specially  
18          qualified agency for the purposes of identifying  
19          and implementing English language instruction  
20          educational programs and curricula that are  
21          scientifically research based.

22          “(c) APPROVAL.—The Secretary, using a peer review  
23          process, shall approve a State plan or a specially qualified  
24          agency plan if the plan meets the requirements of this sec-

1 tion, and holds reasonable promise of achieving the pur-  
2 pose described in section 3101(c).

3 “(d) DURATION OF THE PLAN.—

4 “(1) IN GENERAL.—Each State plan or spe-  
5 cially qualified agency plan shall—

6 “(A) remain in effect for the duration of  
7 the State’s or specially qualified agency’s par-  
8 ticipation under this part; and;

9 “(B) be periodically reviewed and revised  
10 by the State or specially qualified agency, as  
11 necessary, to reflect changes in the State’s or  
12 specially qualified agency’s strategies and pro-  
13 grams under this part.

14 “(2) ADDITIONAL INFORMATION.—If the State  
15 educational agency or specially qualified agency  
16 makes significant changes in its plan, such as the  
17 adoption of new performance objectives or assess-  
18 ment measures, the State educational agency or spe-  
19 cially qualified agency shall submit such information  
20 to the Secretary.

21 “(e) CONSOLIDATED PLAN.—A State plan submitted  
22 under subsection (a) may be submitted as part of a con-  
23 solidated plan under section 8302.

24 “(f) SECRETARY ASSISTANCE.—Pursuant to section  
25 7004(a)(3), the Secretary shall provide assistance, if re-

1 quired, in the development of English language develop-  
2 ment standards and English language proficiency assess-  
3 ments.

4 **“SEC. 3106. LOCAL PLANS.**

5       “(a) PLAN REQUIRED.—Each local educational agen-  
6 cy desiring a grant from the State educational agency  
7 under section 3104(a) shall submit a plan to the State  
8 educational agency at such time, in such manner, and ac-  
9 companied by such information as the State educational  
10 agency may require.

11       “(b) CONTENTS.—Each local educational agency plan  
12 submitted under subsection (a) shall—

13               “(1) describe how the local educational agency  
14 shall use the grant funds to meet the English pro-  
15 ficiency performance objectives described in section  
16 3109;

17               “(2) describe how the local educational agency  
18 will hold elementary schools and secondary schools  
19 accountable for meeting the performance objectives;

20               “(3) describe how the local educational agency  
21 will hold elementary and secondary schools account-  
22 able for making adequate yearly progress with lim-  
23 ited English proficient students in the subject areas  
24 of core content knowledge as described in section  
25 1111.



1           “(4) contain an assurance that the local edu-  
2           cational agency consulted with elementary schools  
3           and secondary schools, education-related community  
4           groups and nonprofit organizations, institutions of  
5           higher education, parents, language instruction  
6           teachers, school administrators, and English lan-  
7           guage instruction specialists, in developing the local  
8           educational agency plan; and

9           “(5) contain an assurance that the local edu-  
10          cational agency will use the disaggregated results of  
11          the student assessments required under section  
12          1111(b)(4), and other measures or indicators avail-  
13          able to the agency, to review annually the progress  
14          of each school served by the agency under this part  
15          and under title I to determine whether the schools  
16          are making the annual progress necessary to ensure  
17          that limited English proficient students attending  
18          the schools will meet the proficient State content  
19          and student performance standard within 10 years  
20          of enactment of the Public Education Reinvestment,  
21          Reinvention, and Responsibility Act (Three R’s).

22   **“SEC. 3107. USES OF FUNDS.**

23          “(a) ADMINISTRATIVE EXPENSES.—Each local edu-  
24          cational agency receiving a grant under section 3104 may

1 use not more than 1 percent of the grant funds for any  
2 fiscal year for the cost of administering this part.

3 “(b) ACTIVITIES.—Each local educational agency re-  
4 ceiving grant funds under section 3104 shall use the grant  
5 funds that are not used under subsection (a)—

6 “(1) to increase limited English proficient stu-  
7 dents’ proficiency in English and academic achieve-  
8 ment by developing and implementing English lan-  
9 guage and academic content instructional programs  
10 for children served under this part that are—

11 “(A) tied to scientifically based research  
12 demonstrating the effectiveness of the pro-  
13 grams; and

14 “(B) approved by the State educational  
15 agency;

16 “(2) to provide high-quality professional devel-  
17 opment activities for teachers of limited English pro-  
18 ficient students that are—

19 “(A) designed to enhance the ability of  
20 such teachers to understand and use curricula,  
21 assessment measures, and instructional strate-  
22 gies for limited English proficient students;

23 “(B) tied to scientifically based research  
24 demonstrating the effectiveness of such pro-  
25 grams in increasing students’ English pro-

1           ficiency or substantially increasing the knowl-  
2           edge and teaching skills of such teachers; and

3           “(C) of sufficient intensity and duration  
4           (such as not to include 1-day or short-term  
5           workshops and conferences) to have a positive  
6           and lasting impact on the teacher’s perform-  
7           ance in the classroom, except that this para-  
8           graph shall not apply to an activity that is 1  
9           component of a long-term, comprehensive pro-  
10          fessional development plan established by a  
11          teacher and the teacher’s supervisor based upon  
12          an assessment of the teacher’s and supervisor’s  
13          needs, the student’s needs, and the needs of the  
14          local educational agency;

15          “(3) to identify, acquire, and upgrade curricula,  
16          instructional materials, educational software, and as-  
17          sessment procedures; and

18          “(4) to provide parent and community partici-  
19          pation programs to improve English language in-  
20          struction programs for limited English proficient  
21          students.

22   **“SEC. 3108. PROGRAM REQUIREMENTS.**

23          “(a) PROHIBITION.—In carrying out this part the  
24    Secretary shall neither mandate nor preclude a particular

1 curricular or pedagogical approach to educating limited  
2 English proficient students.

3 “(b) **TEACHER ENGLISH FLUENCY.**—Each local edu-  
4 cational agency receiving grant funds under section 3104  
5 shall certify to the State educational agency that all teach-  
6 ers in any language instruction program for limited  
7 English proficient students funded under this part are flu-  
8 ent in English.

9 **“SEC. 3109. PERFORMANCE OBJECTIVES.**

10 “(a) **IN GENERAL.**—Each State educational agency  
11 or specifically qualified agency receiving a grant under this  
12 part shall develop annual numerical performance objec-  
13 tives with respect to helping limited English proficient stu-  
14 dents become proficient in English. The objectives shall  
15 include incremental percentage increases for each fiscal  
16 year a State receives a grant under this part, including  
17 increases in the number of limited English proficient stu-  
18 dents demonstrating an increase in performance on annual  
19 assessments in reading, writing, speaking, and listening  
20 comprehension, from the preceding fiscal year.

21 “(b) **ACCOUNTABILITY.**—Each State educational  
22 agency or specially qualified agency receiving a grant  
23 under this part shall be held accountable for meeting the  
24 annual numerical performance objectives under this part  
25 and the adequate yearly progress levels for limited English

1 proficient students under section 1111(b)(2)(B)(iv) and  
2 (vii). Any State educational agency or specially qualified  
3 agency that fails to meet the annual performance objec-  
4 tives shall be subject to sanctions under section 7001.

5 **“SEC. 3110. AUTHORIZATION OF APPROPRIATIONS.**

6 “There are authorized to be appropriated to carry out  
7 this part \$1,000,000,000 for fiscal year 2002, and such  
8 sums as may be necessary for each of the 4 succeeding  
9 fiscal years.

10 **“SEC. 3111. REGULATIONS AND NOTIFICATION.**

11 “(a) REGULATION RULE.—In developing regulations  
12 under this part, the Secretary shall consult with State  
13 educational agencies, local educational agencies, organiza-  
14 tions representing limited English proficient individuals,  
15 and organizations representing teachers and other per-  
16 sonnel involved in the education of limited English pro-  
17 ficient students.

18 “(b) PARENTAL NOTIFICATION.—

19 “(1) IN GENERAL.—Each local educational  
20 agency shall notify parents of a student partici-  
21 pating in a language instruction educational pro-  
22 gram under this part of—

23 “(A) the student’s level of English pro-  
24 ficiency, how such level was assessed, the status  
25 of the student’s academic achievement, and the

1           implications of the student’s educational  
2           strengths and needs for age- and grade-appro-  
3           priate academic attainment, promotion, and  
4           graduation;

5           “(B) what programs are available to meet  
6           the student’s educational strengths and needs,  
7           and how such programs differ in content and  
8           instructional goals from other language instruc-  
9           tion educational programs and, in the case of a  
10          student with a disability, how such program  
11          meets the objectives of the individualized edu-  
12          cation program of such a student; and

13          “(C) the instructional goals of the lan-  
14          guage instruction educational program, and  
15          how the program will specifically help the lim-  
16          ited English proficient student learn English  
17          and meet age-appropriate standards for grade  
18          promotion and graduation, including—

19               “(i) the characteristics, benefits, and  
20               past academic results of the language in-  
21               struction educational program and of in-  
22               structional alternatives; and

23               “(ii) the reasons the student was iden-  
24               tified as being in need of a language in-  
25               struction educational program.

1 “(2) OPTION TO DECLINE.—

2 “(A) IN GENERAL.—Each parent described  
3 in paragraph (1) shall also be informed that the  
4 parent has the option of declining the enroll-  
5 ment of their children or youth in a language  
6 instruction educational program, and shall be  
7 given an opportunity to decline such enrollment  
8 if the parent so chooses.

9 “(B) OBLIGATIONS.—A local educational  
10 agency shall not be relieved of any of the agen-  
11 cy’s obligations under title VI of the Civil  
12 Rights Act of 1964 (42 U.S.C. 2000d et seq.)  
13 if a parent chooses not to enroll their child in  
14 a language instruction educational program.

15 “(3) RECEIPT OF INFORMATION.—A parent de-  
16 scribed in paragraph (1) shall receive, in a manner  
17 and form understandable to the parent including, if  
18 necessary and to the extent feasible, in the native  
19 language of the parent, the information required by  
20 this subsection. At a minimum, the parent shall  
21 receive—

22 “(A) timely information about projects  
23 funded under this part; and

24 “(B) if the parent of a participating child  
25 so desires, notice of opportunities for regular

1 meetings for the purpose of formulating and re-  
2 sponding to recommendations from parents of  
3 children assisted under this part.

4 “(4) SPECIAL RULE.—A student shall not be  
5 admitted to, or excluded from, any Federally as-  
6 sisted language instruction educational program  
7 solely on the basis of a surname or language-minor-  
8 ity status.

9 “(5) LIMITATIONS ON CONDITIONS.—Nothing  
10 in this part shall be construed to authorize an officer  
11 or employee of the Federal Government to mandate,  
12 direct, or control a State’s, local educational agen-  
13 cy’s, elementary school’s, or secondary school’s spe-  
14 cific challenging English language development  
15 standards or assessments, curricula, or program of  
16 instruction, as a condition of eligibility to receive  
17 grant funds under this part.”.

18 **SEC. 302. EMERGENCY IMMIGRANT EDUCATION PROGRAM.**

19 (a) REPEALS, TRANSFERS, AND REDESIGNATIONS.—  
20 Title III (20 U.S.C. 6801 et seq.) is further amended—

21 (1) by repealing part B (20 U.S.C. 6891 et  
22 seq.), part C (20 U.S.C. 6921 et seq.), part D (20  
23 U.S.C. 6951 et seq.), and part E (20 U.S.C. 6971  
24 et seq.);



1           (2) by transferring part C of title VII (20  
2       U.S.C. 7541 et seq.) to title III and inserting such  
3       part after part A (as inserted by section 301(3));

4           (3) by redesignating the heading for part C of  
5       title VII (as transferred by paragraph (2)) as the  
6       heading for part B, and redesignating accordingly  
7       the references to such part C as the references to  
8       such part B; and

9           (4) by redesignating section 7301 through 7309  
10      (20 U.S.C. 7541, 7549) (as transferred by para-  
11      graph (2)) as sections 3201 through 3209, respec-  
12      tively, and redesignating accordingly the references  
13      to such sections.

14      (b) AMENDMENTS.—Part B of title III (as so trans-  
15      ferred and redesignated) is amended—

16           (1) in section 3205(a)(2) (as redesignated by  
17      subsection (a)(4)), by striking “the Goals 2000:  
18      Educate America Act,”; and

19           (2) in section 3209 (as redesignated by sub-  
20      section (a)(4)), by striking “\$175,000,000” and all  
21      that follows through “necessary for” and inserting  
22      “such sums as may be necessary for fiscal year 2002  
23      and”.

1 **SEC. 303. INDIAN, NATIVE HAWAIIAN, AND ALASKA NATIVE**  
2 **EDUCATION.**

3 (a) ELEMENTARY AND SECONDARY EDUCATION ACT  
4 OF 1965.—

5 (1) INDIAN EDUCATION.—Part A of title IX (20  
6 U.S.C. 7801 et seq.) is amended to read as follows:

7 **“PART A—INDIAN EDUCATION**

8 **“SEC. 9101. FINDINGS.**

9 “Congress finds that—

10 “(1) the Federal Government has a special re-  
11 sponsibility to ensure that educational programs for  
12 all American Indian and Alaska Native children and  
13 adults—

14 “(A) are based on high-quality, inter-  
15 nationally competitive content standards and  
16 student performance standards and build on In-  
17 dian culture and the Indian community;

18 “(B) assist local educational agencies, In-  
19 dian tribes, and other entities and individuals in  
20 providing Indian students the opportunity to  
21 achieve such standards; and

22 “(C) meet the unique educational and cul-  
23 turally related academic needs of American In-  
24 dian and Alaska Native students;

25 “(2) since the date of the enactment of the ini-  
26 tial Indian Education Act in 1972, the level of in-

1 involvement of Indian parents in the planning, devel-  
2 opment, and implementation of educational pro-  
3 grams that affect such parents and their children  
4 has increased significantly, and schools should con-  
5 tinue to foster such involvement;

6 “(3) although the number of Indian teachers,  
7 administrators, and university professors has in-  
8 creased since 1972, teacher training programs are  
9 not recruiting, training, or retraining a sufficient  
10 number of Indian individuals as educators to meet  
11 the needs of a growing Indian student population in  
12 elementary, secondary, vocational, adult, and higher  
13 education;

14 “(4) the dropout rate for Indian students is un-  
15 acceptably high; 9 percent of Indian students who  
16 were eighth graders in 1988 had dropped out of  
17 school by 1990;

18 “(5) during the period from 1980 to 1990, the  
19 percentage of Indian individuals living at or below  
20 the poverty level increased from 24 percent to 31  
21 percent, and the readiness of Indian children to  
22 learn is hampered by the high incidence of poverty,  
23 unemployment, and health problems among Indian  
24 children and their families; and

1           “(6) research related specifically to the edu-  
2           cation of Indian children and adults is very limited,  
3           and much of the research is of poor quality or is fo-  
4           cused on limited local or regional issues.

5   **“SEC. 9102. PURPOSE.**

6           “(a) PURPOSE.—It is the purpose of this part to sup-  
7           port the efforts of local educational agencies, Indian tribes  
8           and organizations, postsecondary institutions, and other  
9           entities to meet the unique educational and culturally re-  
10          lated academic needs of American Indians and Alaska Na-  
11          tives, so that such students can achieve to the same chal-  
12          lenging State performance standards expected of all other  
13          students.

14          “(b) PROGRAMS.—This part carries out the purpose  
15          described in subsection (a) by authorizing programs of di-  
16          rect assistance for—

17               “(1) meeting the unique educational and cul-  
18               turally related academic needs of American Indians  
19               and Alaska Natives;

20               “(2) the education of Indian children and  
21               adults;

22               “(3) the training of Indian persons as educators  
23               and counselors, and in other professions serving In-  
24               dian people; and

**5 “SEC. 9111. PURPOSE.**

10 “(1) are based on challenging State content  
11 standards and State student performance standards  
12 that are used for all students; and

16 **“SEC. 9112. GRANTS TO LOCAL EDUCATIONAL AGENCIES.**

“(1) ENROLLMENT REQUIREMENTS.—A local educational agency shall be eligible for a grant under this subpart for any fiscal year if the number of Indian children eligible under section 9117 and who were enrolled in the schools of the agency, and to whom the agency provided free public education, during the preceding fiscal year—

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1           “(B) constituted not less than 25 percent  
2           of the total number of individuals enrolled in  
3           the schools of such agency.

4           “(2) EXCLUSION.—The requirement of para-  
5           graph (1) shall not apply in Alaska, California, or  
6           Oklahoma, or with respect to any local educational  
7           agency located on, or in proximity to, a reservation.

8           “(b) INDIAN TRIBES.—

9           “(1) IN GENERAL.—If a local educational agen-  
10          cy that is eligible for a grant under this subpart  
11          does not establish a parent committee under section  
12          9114(c)(4) for such grant, an Indian tribe that rep-  
13          resents not less than one-half of the eligible Indian  
14          children who are served by such local educational  
15          agency may apply for such grant.

16          “(2) SPECIAL RULE.—The Secretary shall treat  
17          each Indian tribe applying for a grant pursuant to  
18          paragraph (1) as if such Indian tribe were a local  
19          educational agency for purposes of this subpart, ex-  
20          cept that any such tribe is not subject to section  
21          9114(c)(4), section 9118(c), or section 9119.

22   **“SEC. 9113. AMOUNT OF GRANTS.**

23          “(a) AMOUNT OF GRANT AWARDS.—

24          “(1) IN GENERAL.—Except as provided in sub-  
25          section (b) and paragraph (2), the Secretary shall

1 allocate to each local educational agency which has  
2 an approved application under this subpart an  
3 amount equal to the product of—

4 “(A) the number of Indian children who  
5 are eligible under section 9117 and served by  
6 such agency; and

7 “(B) the greater of—

8 “(i) the average per-pupil expenditure  
9 of the State in which such agency is lo-  
10 cated; or

11 “(ii) 80 percent of the average per-  
12 pupil expenditure in the United States.

13 “(2) REDUCTION.—The Secretary shall reduce  
14 the amount of each allocation determined under  
15 paragraph (1) in accordance with subsection (e).

16 “(b) MINIMUM GRANT.—

17 “(1) IN GENERAL.—Notwithstanding subsection  
18 (e), a local educational agency or an Indian tribe (as  
19 authorized under section 9112(b)) that is eligible for  
20 a grant under section 9112, and a school that is op-  
21 erated or supported by the Bureau of Indian Affairs  
22 that is eligible for a grant under subsection (d), that  
23 submits an application that is approved by the Sec-  
24 retary, shall, subject to appropriations, receive a

1 grant under this subpart in an amount that is not  
2 less than \$3,000.

3 “(2) CONSORTIA.—Local educational agencies  
4 may form a consortium for the purpose of obtaining  
5 grants under this subpart.

6 “(3) INCREASE.—The Secretary may increase  
7 the minimum grant under paragraph (1) to not  
8 more than \$4,000 for all grantees if the Secretary  
9 determines such increase is necessary to ensure the  
10 quality of the programs provided.

11 “(c) DEFINITION.—For the purpose of this section,  
12 the term ‘average per-pupil expenditure of a State’ means  
13 an amount equal to—

14 “(1) the sum of the aggregate current expendi-  
15 tures of all the local educational agencies in the  
16 State, plus any direct current expenditures by the  
17 State for the operation of such agencies, without re-  
18 gard to the sources of funds from which such local  
19 or State expenditures were made, during the second  
20 fiscal year preceding the fiscal year for which the  
21 computation is made; divided by

22 “(2) the aggregate number of children who  
23 were included in average daily attendance for whom  
24 such agencies provided free public education during  
25 such preceding fiscal year.



1       “(d) SCHOOLS OPERATED OR SUPPORTED BY THE  
2 BUREAU OF INDIAN AFFAIRS.—(1) Subject to subsection  
3 (e), in addition to the grants awarded under subsection  
4 (a), the Secretary shall allocate to the Secretary of the  
5 Interior an amount equal to the product of—

6               “(A) the total number of Indian children en-  
7 rolled in schools that are operated by—

8                       “(i) the Bureau of Indian Affairs; or

9                       “(ii) an Indian tribe, or an organization  
10 controlled or sanctioned by an Indian tribal  
11 government, for the children of that tribe under  
12 a contract with, or grant from, the Department  
13 of the Interior under the Indian Self-Deter-  
14 mination Act or the Tribally Controlled Schools  
15 Act of 1988; and

16               “(B) the greater of—

17                       “(i) the average per-pupil expenditure of  
18 the State in which the school is located; or

19                       “(ii) 80 percent of the average per-pupil  
20 expenditure in the United States.

21       “(2) Any school described in paragraph (1)(A) that  
22 wishes to receive an allocation under this subpart shall  
23 submit an application in accordance with section 9114,  
24 and shall otherwise be treated as a local educational agen-  
25 cy for the purpose of this subpart, except that such school

1 shall not be subject to section 9114(c)(4), section 9118(c),  
 2 or section 9119.

3 “(e) Ratable Reductions.—If the sums appro-  
 4 priated for any fiscal year under section 9162(a) are insuf-  
 5 ficient to pay in full the amounts determined for local edu-  
 6 cational agencies under subsection (a)(1) and for the Sec-  
 7 retary of the Interior under subsection (d), each of those  
 8 amounts shall be ratably reduced.

9 **“SEC. 9114. APPLICATIONS.**

10 “(a) Application Required.—Each local edu-  
 11 cational agency that desires to receive a grant under this  
 12 subpart shall submit an application to the Secretary at  
 13 such time, in such manner, and containing such informa-  
 14 tion as the Secretary may reasonably require.

15 “(b) Comprehensive Program Required.—Each  
 16 application submitted under subsection (a) shall include  
 17 a comprehensive program for meeting the needs of Indian  
 18 children served by the local educational agency, including  
 19 the language and cultural needs of the children, that—

20 “(1) provides programs and activities to meet  
 21 the culturally related academic needs of American  
 22 Indian and Alaska Native students;

23 “(2)(A) is consistent with State and local plans  
 24 under other provisions of this Act; and

1           “(B) includes academic content and student  
2           performance goals for such children, and bench-  
3           marks for attaining such goals, that are based on  
4           the challenging State standards under title I;

5           “(3) explains how Federal, State, and local pro-  
6           grams, especially under title I, will meet the needs  
7           of such students;

8           “(4) demonstrates how funds made available  
9           under this subpart will be used for activities de-  
10          scribed in section 9115;

11          “(5) describes the professional development op-  
12          portunities that will be provided, as needed, to en-  
13          sure that—

14               “(A) teachers and other school profes-  
15               sionals who are new to the Indian community  
16               are prepared to work with Indian children; and

17               “(B) all teachers who will be involved in  
18               programs assisted under this subpart have been  
19               properly trained to carry out such programs;  
20               and

21          “(6) describes how the local educational  
22          agency—

23               “(A) will periodically assess the progress of  
24               all Indian children enrolled in the schools of the  
25               local educational agency, including Indian chil-

1           dren who do not participate in programs as-  
2           sisted under this subpart, in meeting the goals  
3           described in paragraph (2);

4           “(B) will provide the results of each as-  
5           sessment referred to in subparagraph (A) to—

6                   “(i) the committee of parents de-  
7                   scribed in subsection (c)(4); and

8                   “(ii) the community served by the  
9                   local educational agency; and

10           “(C) is responding to findings of any pre-  
11           vious assessments that are similar to the as-  
12           sessments described in subparagraph (A).

13           “(c) ASSURANCES.—Each application submitted  
14           under subsection (a) shall include assurances that—

15                   “(1) the local educational agency will use funds  
16                   received under this subpart only to supplement the  
17                   level of funds that, in the absence of the Federal  
18                   funds made available under this subpart, such agen-  
19                   cy would make available for the education of Indian  
20                   children, and not to supplant such funds;

21                   “(2) the local educational agency will submit  
22                   such reports to the Secretary, in such form and con-  
23                   taining such information, as the Secretary may re-  
24                   quire to—

1           “(A) carry out the functions of the Sec-  
2           retary under this subpart; and

3           “(B) determine the extent to which funds  
4           provided to the local educational agency under  
5           this subpart are effective in improving the edu-  
6           cational achievement of Indian students served  
7           by such agency;

8           “(3) the program for which assistance is  
9           sought—

10           “(A) is based on a comprehensive local as-  
11           sessment and prioritization of the unique edu-  
12           cational and culturally related academic needs  
13           of the American Indian and Alaska Native stu-  
14           dents to whom the local educational agency is  
15           providing an education;

16           “(B) will use the best available talents and  
17           resources, including individuals from the Indian  
18           community; and

19           “(C) was developed by such agency in open  
20           consultation with parents of Indian children  
21           and teachers, and, if appropriate, Indian stu-  
22           dents from secondary schools, including public  
23           hearings held by such agency to provide the in-  
24           dividuals described in this subparagraph a full  
25           opportunity to understand the program and to

1 offer recommendations regarding the program;  
2 and

3 “(4) the local educational agency developed the  
4 program with the participation and written approval  
5 of a committee—

6 “(A) that is composed of, and selected  
7 by—

8 “(i) parents of Indian children in the  
9 local educational agency’s schools and  
10 teachers; and

11 “(ii) if appropriate, Indian students  
12 attending secondary schools;

13 “(B) a majority of whose members are  
14 parents of Indian children;

15 “(C) that sets forth such policies and pro-  
16 cedures, including policies and procedures relat-  
17 ing to the hiring of personnel, as will ensure  
18 that the program for which assistance is sought  
19 will be operated and evaluated in consultation  
20 with, and with the involvement of, parents of  
21 the children, and representatives of the area, to  
22 be served;

23 “(D) with respect to an application de-  
24 scribing a schoolwide program in accordance  
25 with section 9115(c), has—

1 “(i) reviewed in a timely fashion the  
2 program; and

3 “(ii) determined that the program will  
4 not diminish the availability of culturally  
5 related activities for American Indian and  
6 Alaskan Native students; and

7 “(E) has adopted reasonable bylaws for  
8 the conduct of the activities of the committee  
9 and abides by such bylaws.

10 **“SEC. 9115. AUTHORIZED SERVICES AND ACTIVITIES.**

11 “(a) GENERAL REQUIREMENTS.—Each local edu-  
12 cational agency that receives a grant under this subpart  
13 shall use the grant funds, in a manner consistent with the  
14 purpose specified in section 9111, for services and activi-  
15 ties that—

16 “(1) are designed to carry out the comprehen-  
17 sive program of the local educational agency for In-  
18 dian students, and described in the application of  
19 the local educational agency submitted to the Sec-  
20 retary under section 9114(b);

21 “(2) are designed with special regard for the  
22 language and cultural needs of the Indian students;  
23 and

24 “(3) supplement and enrich the regular school  
25 program of such agency.

1       “(b) PARTICULAR ACTIVITIES.—The services and ac-  
2       tivities referred to in subsection (a) may include—

3               “(1) culturally related activities that support  
4       the program described in the application submitted  
5       by the local educational agency;

6               “(2) early childhood and family programs that  
7       emphasize school readiness;

8               “(3) enrichment programs that focus on prob-  
9       lem solving and cognitive skills development and di-  
10      rectly support the attainment of challenging State  
11      content standards and State student performance  
12      standards;

13              “(4) integrated educational services in combina-  
14      tion with other programs that meet the needs of In-  
15      dian children and their families;

16              “(5) career preparation activities to enable In-  
17      dian students to participate in programs such as the  
18      programs supported by the Carl D. Perkins Voca-  
19      tional and Technical Education Act of 1998, includ-  
20      ing programs for tech-prep, mentoring, and appren-  
21      ticeship;

22              “(6) activities to educate individuals concerning  
23      substance abuse and to prevent substance abuse;



1           “(7) the acquisition of equipment, but only if  
2           the acquisition of the equipment is essential to meet  
3           the purposes described in section 9111; and

4           “(8) family literacy services.

5           “(c) SCHOOLWIDE PROGRAMS.—Notwithstanding  
6 any other provision of law, a local educational agency may  
7 use funds made available to such agency under this sub-  
8 part to support a schoolwide program under section 1114  
9 if—

10           “(1) the committee composed of parents estab-  
11 lished pursuant to section 9114(c)(4) approves the  
12 use of the funds for the schoolwide program; and

13           “(2) the schoolwide program is consistent with  
14 the purposes described in section 9111.

15           “(d) LIMITATION ON ADMINISTRATIVE COSTS.—Not  
16 more than 5 percent of the funds provided to a grantee  
17 under this subpart for any fiscal year may be used for  
18 administrative purposes.

19 **“SEC. 9116. INTEGRATION OF SERVICES AUTHORIZED.**

20           “(a) PLAN.—An entity receiving funds under this  
21 subpart may submit a plan to the Secretary for the inte-  
22 gration of education and related services provided to In-  
23 dian students.

24           “(b) COORDINATION OF PROGRAMS.—Upon the re-  
25 ceipt of an acceptable plan, the Secretary, in cooperation

1 with each Federal agency providing grants for the provi-  
2 sion of education and related services to the applicant,  
3 shall authorize the applicant to coordinate, in accordance  
4 with such plan, its federally funded education and related  
5 services programs, or portions thereof, serving Indian stu-  
6 dents in a manner that integrates the program services  
7 involved into a single, coordinated, comprehensive pro-  
8 gram and reduces administrative costs by consolidating  
9 administrative functions.

10 “(c) PROGRAMS AFFECTED.—The funds that may be  
11 consolidated in a demonstration project under any such  
12 plan referred to in subsection (b) shall include funds for  
13 any Federal program exclusively serving Indian children  
14 or the funds reserved under any program to exclusively  
15 serve Indian children under which the applicant is eligible  
16 for receipt of funds under a statutory or administrative  
17 formula for the purposes of providing education and re-  
18 lated services which would be used to serve Indian stu-  
19 dents.

20 “(d) PLAN REQUIREMENTS.—For a plan to be ac-  
21 ceptable pursuant to subsection (b), it shall—

22 “(1) identify the programs or funding sources  
23 to be consolidated;

1           “(2) be consistent with the purposes of this sec-  
2           tion authorizing the services to be integrated in a  
3           demonstration project;

4           “(3) describe a comprehensive strategy which  
5           identifies the full range of potential educational op-  
6           portunities and related services to be provided to as-  
7           sist Indian students to achieve the goals set forth in  
8           this subpart;

9           “(4) describe the way in which services are to  
10          be integrated and delivered and the results expected  
11          from the plan;

12          “(5) identify the projected expenditures under  
13          the plan in a single budget;

14          “(6) identify the local, State, or tribal agency  
15          or agencies to be involved in the delivery of the serv-  
16          ices integrated under the plan;

17          “(7) identify any statutory provisions, regula-  
18          tions, policies, or procedures that the applicant be-  
19          lieves need to be waived in order to implement its  
20          plan;

21          “(8) set forth measures of student achievement  
22          and performance goals designed to be met within a  
23          specified period of time; and

1           “(9) be approved by a parent committee formed  
2           in accordance with section 9114(c)(4), if such a  
3           committee exists.

4           “(e) PLAN REVIEW.—Upon receipt of the plan from  
5           an eligible entity, the Secretary shall consult with the Sec-  
6           retary of each Federal department providing funds to be  
7           used to implement the plan, and with the entity submit-  
8           ting the plan. The parties so consulting shall identify any  
9           waivers of statutory requirements or of Federal depart-  
10          mental regulations, policies, or procedures necessary to en-  
11          able the applicant to implement its plan. Notwithstanding  
12          any other provision of law, the Secretary of the affected  
13          department or departments shall have the authority to  
14          waive any regulation, policy, or procedure promulgated by  
15          that department that has been so identified by the appli-  
16          cant or department, unless the Secretary of the affected  
17          department determines that such a waiver is inconsistent  
18          with the intent of this subpart or those provisions of the  
19          statute from which the program involved derives its au-  
20          thority which are specifically applicable to Indian stu-  
21          dents.

22          “(f) PLAN APPROVAL.—Within 90 days after the re-  
23          ceipt of an applicant’s plan by the Secretary, the Secretary  
24          shall inform the applicant, in writing, of the Secretary’s  
25          approval or disapproval of the plan. If the plan is dis-

1 approved, the applicant shall be informed, in writing, of  
2 the reasons for the disapproval and shall be given an op-  
3 portunity to amend its plan or to petition the Secretary  
4 to reconsider such disapproval.

5 “(g) RESPONSIBILITIES OF DEPARTMENT OF EDU-  
6 CATION.—Not later than 180 days after the date of the  
7 enactment of the Public Education Reinvestment, Re-  
8 invention, and Responsibility Act (Three R’s), the Sec-  
9 retary of Education, the Secretary of the Interior, and the  
10 head of any other Federal department or agency identified  
11 by the Secretary of Education, shall enter into an inter-  
12 departmental memorandum of agreement providing for  
13 the implementation of the demonstration projects author-  
14 ized under this section. The lead agency head for a dem-  
15 onstration program under this section shall be—

16 “(1) the Secretary of the Interior, in the case  
17 of applicant meeting the definition of contract or  
18 grant school under title XI of the Education Amend-  
19 ments of 1978; or

20 “(2) the Secretary of Education, in the case of  
21 any other applicant.

22 “(h) RESPONSIBILITIES OF LEAD AGENCY.—The re-  
23 sponsibilities of the lead agency shall include—

24 “(1) the use of a single report format related  
25 to the plan for the individual project which shall be

1       used by an eligible entity to report on the activities  
2       undertaken under the project;

3           “(2) the use of a single report format related  
4       to the projected expenditures for the individual  
5       project which shall be used by an eligible entity to  
6       report on all project expenditures;

7           “(3) the development of a single system of Fed-  
8       eral oversight for the project, which shall be imple-  
9       mented by the lead agency; and

10          “(4) the provision of technical assistance to an  
11       eligible entity appropriate to the project, except that  
12       an eligible entity shall have the authority to accept  
13       or reject the plan for providing such technical assist-  
14       ance and the technical assistance provider.

15          “(i) REPORT REQUIREMENTS.—A single report for-  
16       mat shall be developed by the Secretary, consistent with  
17       the requirements of this section. Such report format, to-  
18       gether with records maintained on the consolidated pro-  
19       gram at the local level, shall contain such information as  
20       will allow a determination that the eligible entity has com-  
21       plied with the requirements incorporated in its approved  
22       plan, including the demonstration of student achievement,  
23       and will provide assurances to each Secretary that the eli-  
24       gible entity has complied with all directly applicable statu-

1 tory requirements and with those directly applicable regu-  
2 latory requirements which have not been waived.

3 “(j) NO REDUCTION IN AMOUNTS.—In no case shall  
4 the amount of Federal funds available to an eligible entity  
5 involved in any demonstration project be reduced as a re-  
6 sult of the enactment of this section.

7 “(k) INTERAGENCY FUND TRANSFERS AUTHOR-  
8 IZED.—The Secretary is authorized to take such action  
9 as may be necessary to provide for an interagency transfer  
10 of funds otherwise available to an eligible entity in order  
11 to further the purposes of this section.

12 “(l) ADMINISTRATION OF FUNDS.—

13 “(1) IN GENERAL.—Program funds shall be ad-  
14 ministered in such a manner as to allow for a deter-  
15 mination that funds from specific a program or pro-  
16 grams are spent on allowable activities authorized  
17 under such program, except that the eligible entity  
18 shall determine the proportion of the funds granted  
19 which shall be allocated to such program.

20 “(2) SEPARATE RECORDS NOT REQUIRED.—  
21 Nothing in this section shall be construed as requir-  
22 ing the eligible entity to maintain separate records  
23 tracing any services or activities conducted under its  
24 approved plan to the individual programs under  
25 which funds were authorized, nor shall the eligible

1       entity be required to allocate expenditures among  
2       such individual programs.

3       “(m) OVERAGE.—All administrative costs may be  
4       commingled and participating entities shall be entitled to  
5       the full amount of such costs (under each program or de-  
6       partment’s regulations), and no overage shall be counted  
7       for Federal audit purposes, provided that the overage is  
8       used for the purposes provided for under this section.

9       “(n) FISCAL ACCOUNTABILITY.—Nothing in this  
10      part shall be construed so as to interfere with the ability  
11      of the Secretary or the lead agency to fulfill the respon-  
12      sibilities for the safeguarding of Federal funds pursuant  
13      to the Single Audit Act of 1984.

14      “(o) REPORT ON STATUTORY OBSTACLES TO PRO-  
15      GRAM INTEGRATION.—

16             “(1) PRELIMINARY REPORT.—Not later than 2  
17      years after the date of the enactment of the Public  
18      Education Reinvestment, Reinvention, and Responsi-  
19      bility Act (Three R’s), the Secretary of Education  
20      shall submit a preliminary report to the Committee  
21      on Health, Education, Labor, and Pensions of the  
22      Senate and the Committee on Education and the  
23      Workforce of the House of Representatives on the  
24      status of the implementation of the demonstration  
25      program authorized under this section.



1           “(2) FINAL REPORT.—Not later than 5 years  
2           after the date of the enactment of the Public Edu-  
3           cation Reinvestment, Reinvention, and Responsibility  
4           Act (Three R’s), the Secretary of Education shall  
5           submit a report to the Committee on Health, Edu-  
6           cation, Labor, and Pensions of the Senate and the  
7           Committee on Education and the Workforce of the  
8           House of Representatives on the results of the im-  
9           plementation of the demonstration program author-  
10          ized under this section. Such report shall identify  
11          statutory barriers to the ability of participants to in-  
12          tegrate more effectively their education and related  
13          services to Indian students in a manner consistent  
14          with the purposes of this section.

15          “(p) DEFINITIONS.—For the purposes of this section,  
16          the term ‘Secretary’ means—

17               “(1) the Secretary of the Interior, in the case  
18               of applicant meeting the definition of contract or  
19               grant school under title XI of the Education Amend-  
20               ments of 1978; or

21               “(2) the Secretary of Education, in the case of  
22               any other applicant.

23          **“SEC. 9117. STUDENT ELIGIBILITY FORMS.**

24               “(a) IN GENERAL.—The Secretary shall require that,  
25          as part of an application for a grant under this subpart,

1 each applicant shall maintain a file, with respect to each  
2 Indian child for whom the local educational agency pro-  
3 vides a free public education, that contains a form that  
4 sets forth information establishing the status of the child  
5 as an Indian child eligible for assistance under this sub-  
6 part and that otherwise meets the requirements of subsec-  
7 tion (b).

8 “(b) FORMS.—

9 “(1) IN GENERAL.—The form described in sub-  
10 section (a) shall include—

11 “(A) either—

12 “(i)(I) the name of the tribe or band  
13 of Indians (as described in section  
14 9161(3)) with respect to which the child  
15 claims membership;

16 “(II) the enrollment number estab-  
17 lishing the membership of the child (if  
18 readily available); and

19 “(III) the name and address of the  
20 organization that maintains updated and  
21 accurate membership data for such tribe or  
22 band of Indians; or

23 “(ii) if the child is not a member of  
24 a tribe or band of Indians, the name, the  
25 enrollment number (if readily available),

1                   and the organization (and address thereof)  
2                   responsible for maintaining updated and  
3                   accurate membership rolls of the tribe of  
4                   any parent or grandparent of the child  
5                   from whom the child claims eligibility;

6                   “(B) a statement of whether the tribe or  
7                   band of Indians with respect to which the child,  
8                   parent, or grandparent of the child claims mem-  
9                   bership is federally recognized;

10                  “(C) the name and address of the parent  
11                  or legal guardian of the child;

12                  “(D) a signature of the parent or legal  
13                  guardian of the child that verifies the accuracy  
14                  of the information supplied; and

15                  “(E) any other information that the Sec-  
16                  retary considers necessary to provide an accu-  
17                  rate program profile.

18                  “(2) MINIMUM INFORMATION.—In order for a  
19                  child to be eligible to be counted for the purpose of  
20                  computing the amount of a grant award made under  
21                  section 9113, an eligibility form prepared pursuant  
22                  to this section for a child shall include—

23                  “(A) the name of the child;

1           “(B) the name of the tribe or band of Indi-  
2           ans (as described in section 9161(3)) with re-  
3           spect to which the child claims eligibility; and

4           “(C) the dated signature of the parent or  
5           guardian of the child.

6           “(3) FAILURE.—The failure of an applicant to  
7           furnish any information described in this subsection  
8           other than the information described in paragraph  
9           (2) with respect to any child shall have no bearing  
10          on the determination of whether the child is an eligi-  
11          ble Indian child for the purposes of determining the  
12          amount of a grant award made under section 9113.

13          “(c) STATUTORY CONSTRUCTION.—Nothing in this  
14          section shall be construed to affect a definition contained  
15          in section 9161.

16          “(d) FORMS AND STANDARDS OF PROOF.—The  
17          forms and the standards of proof (including the standard  
18          of good faith compliance) that were in use during the  
19          1985–1986 academic year to establish the eligibility of a  
20          child for entitlement under the Indian Elementary and  
21          Secondary School Assistance Act shall be the forms and  
22          standards of proof used—

23                 “(1) to establish such eligibility; and

24                 “(2) to meet the requirements of subsection (a).

1       “(e) DOCUMENTATION.—For purposes of deter-  
2 mining whether a child is eligible to be counted for the  
3 purpose of computing the amount of a grant under section  
4 9113, the membership of the child, or any parent or  
5 grandparent of the child, in a tribe or band of Indians  
6 may be established by proof other than an enrollment  
7 number, notwithstanding the availability of an enrollment  
8 number for a member of such tribe or band. Nothing in  
9 subsection (b) shall be construed to require the furnishing  
10 of an enrollment number.

11       “(f) MONITORING AND EVALUATION REVIEW.—

12               “(1) IN GENERAL.—(A) For each fiscal year, in  
13 order to provide such information as is necessary to  
14 carry out the responsibility of the Secretary to pro-  
15 vide technical assistance under this subpart, the Sec-  
16 retary shall conduct a monitoring and evaluation re-  
17 view of a sampling of the recipients of grants under  
18 this subpart. The sampling conducted under this  
19 subparagraph shall take into account the size of the  
20 local educational agency and the geographic location  
21 of such agency.

22               “(B) A local educational agency may not be  
23 held liable to the United States or be subject to any  
24 penalty, by reason of the findings of an audit that  
25 relates to the date of completion, or the date of sub-

1 mission, of any forms used to establish, before April  
2 28, 1988, the eligibility of a child for entitlement  
3 under the Indian Elementary and Secondary School  
4 Assistance Act.

5 “(2) FALSE INFORMATION.—Any local edu-  
6 cational agency that provides false information in an  
7 application for a grant under this subpart shall—

8 “(A) be ineligible to apply for any other  
9 grant under this part; and

10 “(B) be liable to the United States for any  
11 funds that have not been expended.

12 “(3) EXCLUDED CHILDREN.—A student who  
13 provides false information for the form required  
14 under subsection (a) shall not be counted for the  
15 purpose of computing the amount of a grant under  
16 section 9113.

17 “(g) TRIBAL GRANT AND CONTRACT SCHOOLS.—  
18 Notwithstanding any other provision of this section, in  
19 awarding funds under this subpart to a tribal school that  
20 receives a grant or contract from the Bureau of Indian  
21 Affairs, the Secretary shall use only one of the following,  
22 as selected by the school:

23 “(1) A count of the number of students in those  
24 schools certified by the Bureau.

1           “(2) A count of the number of students for  
2           whom the school has eligibility forms that comply  
3           with this section.

4           “(h) TIMING OF CHILD COUNTS.—For purposes of  
5           determining the number of children to be counted in calcu-  
6           lating the amount of a local educational agency’s grant  
7           under this subpart (other than in the case described in  
8           subsection (g)(1)), the local educational agency shall—

9           “(1) establish a date on, or a period not longer  
10          than 31 consecutive days during which, the agency  
11          counts those children, so long as that date or period  
12          occurs before the deadline established by the Sec-  
13          retary for submitting an application under section  
14          9114; and

15          “(2) determine that each such child was en-  
16          rolled, and receiving a free public education, in a  
17          school of the agency on that date or during that pe-  
18          riod, as the case may be.

19   **“SEC. 9118. PAYMENTS.**

20          “(a) IN GENERAL.—Subject to subsections (b) and  
21          (c), the Secretary shall pay to each local educational agen-  
22          cy that submits an application that is approved by the Sec-  
23          retary under this subpart the amount determined under  
24          section 9113. The Secretary shall notify the local edu-  
25          cational agency of the amount of the payment not later

1 than June 1 of the year for which the Secretary makes  
2 the payment.

3       “(b) PAYMENTS TAKEN INTO ACCOUNT BY THE  
4 STATE.—The Secretary may not make a grant under this  
5 subpart to a local educational agency for a fiscal year if,  
6 for such fiscal year, the State in which the local edu-  
7 cational agency is located takes into consideration pay-  
8 ments made under this subpart in determining the eligi-  
9 bility of the local educational agency for State aid, or the  
10 amount of the State aid, with respect to the free public  
11 education of children during such fiscal year or the pre-  
12 ceding fiscal year.

13       “(c) REDUCTION OF PAYMENT FOR FAILURE TO  
14 MAINTAIN FISCAL EFFORT.—

15               “(1) IN GENERAL.—The Secretary may not pay  
16 a local educational agency the full amount of a grant  
17 award determined under section 9113 for any fiscal  
18 year unless the State educational agency notifies the  
19 Secretary, and the Secretary determines that, with  
20 respect to the provision of free public education by  
21 the local educational agency for the preceding fiscal  
22 year, the combined fiscal effort of the local edu-  
23 cational agency and the State, computed on either a  
24 per student or aggregate expenditure basis, was not  
25 less than 90 percent of the amount of the combined



1       fiscal effort, computed on the same basis, for the  
2       second preceding fiscal year.

3               “(2) FAILURE TO MAINTAIN EFFORT.—If, for  
4       any fiscal year, the Secretary determines that a local  
5       educational agency failed to maintain the fiscal ef-  
6       fort of such agency at the level specified in para-  
7       graph (1), the Secretary shall—

8               “(A) reduce the amount of the grant that  
9       would otherwise be made to such agency under  
10      this subpart in the exact proportion of such  
11      agency’s failure to maintain its fiscal effort at  
12      such level; and

13              “(B) not use the reduced amount of the  
14      agency’s expenditures for the preceding year to  
15      determine compliance with paragraph (1) for  
16      any succeeding fiscal year, but shall use the  
17      amount of expenditures that would have been  
18      required to comply with paragraph (1).

19              “(3) WAIVER.—(A) The Secretary may waive  
20      the requirement of paragraph (1), for not more than  
21      1 year at a time, if the Secretary determines that  
22      the failure to comply with such requirement is due  
23      to exceptional or uncontrollable circumstances, such  
24      as a natural disaster or a precipitous and unforeseen  
25      decline in the agency’s financial resources.

1           “(B) The Secretary shall not use the reduced  
2           amount of such agency’s expenditures for the fiscal  
3           year preceding the fiscal year for which a waiver is  
4           granted to determine compliance with paragraph (1)  
5           for any succeeding fiscal year, but shall use the  
6           amount of expenditures that would have been re-  
7           quired to comply with paragraph (1) in the absence  
8           of the waiver.

9           “(d) REALLOCATIONS.—The Secretary may reallo-  
10          cate, in a manner that the Secretary determines will best  
11          carry out the purpose of this subpart, any amounts that—

12               “(1) based on estimates made by local edu-  
13               cational agencies or other information, the Secretary  
14               determines will not be needed by such agencies to  
15               carry out approved programs under this subpart; or

16               “(2) otherwise become available for reallocation  
17          under this subpart.

18       **“SEC. 9119. STATE EDUCATIONAL AGENCY REVIEW.**

19           “Before submitting an application to the Secretary  
20          under section 9114, a local educational agency shall sub-  
21          mit the application to the State educational agency, which  
22          may comment on such application. If the State educational  
23          agency comments on the application, it shall comment on  
24          all applications submitted by local educational agencies in  
25          the State and shall provide those comments to the respec-

1 tive local educational agencies, with an opportunity to re-  
2 spond.

3 **“Subpart 2—Special Programs and Projects To Im-**  
4 **prove Educational Opportunities for Indian**  
5 **Children**

6 **“SEC. 9121. IMPROVEMENT OF EDUCATIONAL OPPORTUNI-**  
7 **TIES FOR INDIAN CHILDREN.**

8 “(a) PURPOSE.—

9 “(1) IN GENERAL.—It is the purpose of this  
10 section to support projects to develop, test, and dem-  
11 onstrate the effectiveness of services and programs  
12 to improve educational opportunities and achieve-  
13 ment of Indian children.

14 “(2) COORDINATION.—The Secretary shall take  
15 such actions as are necessary to achieve the coordi-  
16 nation of activities assisted under this subpart  
17 with—

18 “(A) other programs funded under this  
19 Act; and

20 “(B) other Federal programs operated for  
21 the benefit of American Indian and Alaska Na-  
22 tive children.

23 “(b) ELIGIBLE ENTITIES.—For the purpose of this  
24 section, the term ‘eligible entity’ means a State edu-  
25 cational agency, local educational agency, Indian tribe, In-

1 dian organization, federally supported elementary and sec-  
2 ondary school for Indian students, Indian institution, in-  
3 cluding an Indian institution of higher education, or a con-  
4 sortium of such institutions.

5 “(c) GRANTS AUTHORIZED.—

6 “(1) IN GENERAL.—The Secretary shall award  
7 grants to eligible entities to enable such entities to  
8 carry out activities that meet the purpose specified  
9 in subsection (a)(1), including—

10 “(A) innovative programs related to the  
11 educational needs of educationally disadvan-  
12 taged children;

13 “(B) educational services that are not  
14 available to such children in sufficient quantity  
15 or quality, including remedial instruction, to  
16 raise the achievement of Indian children in one  
17 or more of the core academic subjects of  
18 English, mathematics, science, foreign lan-  
19 guages, art, history, and geography;

20 “(C) bilingual and bicultural programs and  
21 projects;

22 “(D) special health and nutrition services,  
23 and other related activities, that address the  
24 unique health, social, and psychological prob-  
25 lems of Indian children;

1           “(E) special compensatory and other pro-  
2           grams and projects designed to assist and en-  
3           courage Indian children to enter, remain in, or  
4           reenter school, and to increase the rate of sec-  
5           ondary school graduation;

6           “(F) comprehensive guidance, counseling,  
7           and testing services;

8           “(G) early childhood and kindergarten pro-  
9           grams, including family-based preschool pro-  
10          grams that emphasize school readiness and pa-  
11          rental skills, and the provision of services to In-  
12          dian children with disabilities;

13          “(H) partnership projects between local  
14          educational agencies and institutions of higher  
15          education that allow secondary school students  
16          to enroll in courses at the postsecondary level to  
17          aid such students in the transition from sec-  
18          ondary school to postsecondary education;

19          “(I) partnership projects between schools  
20          and local businesses for career preparation pro-  
21          grams designed to provide Indian youth with  
22          the knowledge and skills such youth need to  
23          make an effective transition from school to a  
24          high-skill, high-wage career;

1           “(J) programs designed to encourage and  
2           assist Indian students to work toward, and gain  
3           entrance into, an institution of higher edu-  
4           cation;

5           “(K) family literacy services; or

6           “(L) other services that meet the purpose  
7           described in subsection (a)(1).

8           “(2) PROFESSIONAL DEVELOPMENT.—Profes-  
9           sional development of teaching professionals and  
10          paraprofessional may be a part of any program as-  
11          sisted under this section.

12          “(d) GRANT REQUIREMENTS AND APPLICATIONS.—

13           “(1) GRANT REQUIREMENTS.—(A) The Sec-  
14          retary may make multiyear grants under this section  
15          for the planning, development, pilot operation, or  
16          demonstration of any activity described in subsection  
17          (c) for a period not to exceed 5 years.

18           “(B) In making multiyear grants under this  
19          section, the Secretary shall give priority to applica-  
20          tions that present a plan for combining two or more  
21          of the activities described in subsection (c) over a  
22          period of more than 1 year.

23           “(C) The Secretary shall make a grant payment  
24          to an eligible entity after the initial year of the  
25          multiyear grant only if the Secretary determines

1       that the eligible entity has made substantial progress  
2       in carrying out the activities assisted under the  
3       grant in accordance with the application submitted  
4       under paragraph (2) and any subsequent modifica-  
5       tions to such application.

6               “(D)(i) In addition to awarding the multiyear  
7       grants described in subparagraph (A), the Secretary  
8       may award grants to eligible entities for the dissemi-  
9       nation of exemplary materials or programs assisted  
10      under this section.

11              “(ii) The Secretary may award a dissemination  
12      grant under this subparagraph if, prior to awarding  
13      the grant, the Secretary determines that the mate-  
14      rial or program to be disseminated has been ade-  
15      quately reviewed and has demonstrated—

16                      “(I) educational merit; and

17                      “(II) the ability to be replicated.

18              “(2) APPLICATION.—(A) Any eligible entity  
19      that desires to receive a grant under this section  
20      shall submit an application to the Secretary at such  
21      time and in such manner as the Secretary may re-  
22      quire.

23              “(B) Each application submitted to the Sec-  
24      retary under subparagraph (A), other than an appli-

1 cation for a dissemination grant under paragraph  
2 (1)(D), shall contain—

3 “(i) a description of how parents of Indian  
4 children and representatives of Indian tribes  
5 have been, and will be, involved in developing  
6 and implementing the activities for which as-  
7 sistance is sought;

8 “(ii) assurances that the applicant will par-  
9 ticipate, at the request of the Secretary, in any  
10 national evaluation of activities assisted under  
11 this section;

12 “(iii) information demonstrating that the  
13 proposed program is either a research-based  
14 program (which may be a research-based pro-  
15 gram that has been modified to be culturally  
16 appropriate for the students who will be  
17 served);

18 “(iv) a description of how the applicant  
19 will incorporate the proposed services into the  
20 ongoing school program once the grant period is  
21 over; and

22 “(v) such other assurances and informa-  
23 tion as the Secretary may reasonably require.

24 “(e) ADMINISTRATIVE COSTS.—Not more than 5 per-  
25 cent of the funds provided to a grantee under this subpart



1 for any fiscal year may be used for administrative pur-  
2 poses.

3 **“SEC. 9122. PROFESSIONAL DEVELOPMENT FOR TEACHERS**  
4 **AND EDUCATION PROFESSIONALS.**

5 “(a) PURPOSES.—The purposes of this section are—

6 “(1) to increase the number of qualified Indian  
7 individuals in teaching or other education profes-  
8 sions that serve Indian people;

9 “(2) to provide training to qualified Indian indi-  
10 viduals to enable such individuals to become teach-  
11 ers, administrators, teacher aides, social workers,  
12 and ancillary educational personnel; and

13 “(3) to improve the skills of qualified Indian in-  
14 dividuals who serve in the capacities described in  
15 paragraph (2).

16 “(b) ELIGIBLE ENTITIES.—For the purpose of this  
17 section, the term ‘eligible entity’ means—

18 “(1) an institution of higher education, includ-  
19 ing an Indian institution of higher education;

20 “(2) a State or local educational agency, in con-  
21 sortium with an institution of higher education; and

22 “(3) an Indian tribe or organization, in consor-  
23 tium with an institution of higher education.

24 “(c) PROGRAM AUTHORIZED.—The Secretary is au-  
25 thorized to award grants to eligible entities having applica-

1 tions approved under this section to enable such entities  
2 to carry out the activities described in subsection (d).

3 “(d) AUTHORIZED ACTIVITIES.—

4 “(1) IN GENERAL.—Grant funds under this sec-  
5 tion shall be used to provide support and training  
6 for Indian individuals in a manner consistent with  
7 the purposes of this section. Such activities may in-  
8 clude but are not limited to, continuing programs,  
9 symposia, workshops, conferences, and direct finan-  
10 cial support.

11 “(2) SPECIAL RULES.—(A) For education per-  
12 sonnel, the training received pursuant to a grant  
13 under this section may be inservice or preservice  
14 training.

15 “(B) For individuals who are being trained to  
16 enter any field other than teaching, the training re-  
17 ceived pursuant to a grant under this section shall  
18 be in a program that results in a graduate degree.

19 “(e) APPLICATION.—Each eligible entity desiring a  
20 grant under this section shall submit an application to the  
21 Secretary at such time, in such manner and accompanied  
22 by such information, as the Secretary may reasonably re-  
23 quire.

24 “(f) SPECIAL RULE.—In making grants under this  
25 section, the Secretary—

1           “(1) shall consider the prior performance of the  
2           eligible entity; and

3           “(2) may not limit eligibility to receive a grant  
4           under this section on the basis of—

5                   “(A) the number of previous grants the  
6           Secretary has awarded such entity; or

7                   “(B) the length of any period during which  
8           such entity received such grants.

9           “(g) GRANT PERIOD.—Each grant under this section  
10          shall be awarded for a period of not more than 5 years.

11          “(h) SERVICE OBLIGATION.—

12                   “(1) IN GENERAL.—The Secretary shall re-  
13          quire, by regulation, that an individual who receives  
14          training pursuant to a grant made under this  
15          section—

16                           “(A) perform work—

17                                   “(i) related to the training received  
18                           under this section; and

19                                   “(ii) that benefits Indian people; or

20                           “(B) repay all or a prorated part of the as-  
21          sistance received.

22                   “(2) REPORTING.—The Secretary shall estab-  
23          lish, by regulation, a reporting procedure under  
24          which a grant recipient under this section shall, not  
25          later than 12 months after the date of completion of

1 the training, and periodically thereafter, provide in-  
2 formation concerning the compliance of such recipi-  
3 ent with the work requirement under paragraph (1).

4 **“Subpart 3—National Research Activities**

5 **“SEC. 9141. NATIONAL ACTIVITIES.**

6 “(a) AUTHORIZED ACTIVITIES.—The Secretary may  
7 use funds made available under section 9162(b) for each  
8 fiscal year to—

9 “(1) conduct research related to effective ap-  
10 proaches for the education of Indian children and  
11 adults;

12 “(2) evaluate federally assisted education pro-  
13 grams from which Indian children and adults may  
14 benefit;

15 “(3) collect and analyze data on the educational  
16 status and needs of Indians; and

17 “(4) carry out other activities that are con-  
18 sistent with the purpose of this part.

19 “(b) ELIGIBILITY.—The Secretary may carry out any  
20 of the activities described in subsection (a) directly or  
21 through grants to, or contracts or cooperative agreements  
22 with Indian tribes, Indian organizations, State educational  
23 agencies, local educational agencies, institutions of higher  
24 education, including Indian institutions of higher edu-

1 cation, and other public and private agencies and  
2 institutions.

3 “(c) COORDINATION.—Research activities supported  
4 under this section—

5 “(1) shall be carried out in consultation with  
6 the Office of Educational Research and Improve-  
7 ment to assure that such activities are coordinated  
8 with and enhance the research and development ac-  
9 tivities supported by the Office; and

10 “(2) may include collaborative research activi-  
11 ties which are jointly funded and carried out by the  
12 Office of Indian Education Programs and the Office  
13 of Educational Research and Improvement.

14 **“Subpart 4—Federal Administration**

15 **“SEC. 9151. NATIONAL ADVISORY COUNCIL ON INDIAN EDU-**  
16 **CATION.**

17 “(a) MEMBERSHIP.—There is established a National  
18 Advisory Council on Indian Education (hereafter in this  
19 section referred to as the ‘Council’), which shall—

20 “(1) consist of 15 Indian members, who shall  
21 be appointed by the President from lists of nominees  
22 furnished, from time-to-time, by Indian tribes and  
23 organizations; and

24 “(2) represent different geographic areas of the  
25 United States.

1       “(b) DUTIES.—The Council shall—

2               “(1) advise the Secretary concerning the fund-  
3       ing and administration (including the development of  
4       regulations and administrative policies and prac-  
5       tices) of any program, including any program estab-  
6       lished under this part—

7               “(A) with respect to which the Secretary  
8       has jurisdiction; and

9               “(B)(i) that includes Indian children or  
10       adults as participants; or

11              “(ii) that may benefit Indian children or  
12       adults;

13              “(2) make recommendations to the Secretary  
14       for filling the position of Director of Indian Edu-  
15       cation whenever a vacancy occurs; and

16              “(3) submit to the Congress, not later than  
17       June 30 of each year, a report on the activities of  
18       the Council, including—

19              “(A) any recommendations that the Coun-  
20       cil considers appropriate for the improvement of  
21       Federal education programs that include Indian  
22       children or adults as participants, or that may  
23       benefit Indian children or adults; and

1           “(B) recommendations concerning the  
2           funding of any program described in subpara-  
3           graph (A).

4   **“SEC. 9152. PEER REVIEW.**

5           “The Secretary may use a peer review process to re-  
6   view applications submitted to the Secretary under sub-  
7   part 2 or 3.

8   **“SEC. 9153. PREFERENCE FOR INDIAN APPLICANTS.**

9           “In making grants under subpart 2 or 3, the Sec-  
10   retary shall give a preference to Indian tribes, organiza-  
11   tions, and institutions of higher education under any pro-  
12   gram with respect to which Indian tribes, organizations,  
13   and institutions are eligible to apply for grants.

14   **“SEC. 9154. MINIMUM GRANT CRITERIA.**

15           “The Secretary may not approve an application for  
16   a grant under subpart 2 unless the application is for a  
17   grant that is—

18           “(1) of sufficient size, scope, and quality to  
19   achieve the purpose or objectives of such grant; and

20           “(2) based on relevant research findings.

21           **“Subpart 5—Definitions; Authorizations of**  
22                           **Appropriations**

23   **“SEC. 9161. DEFINITIONS.**

24           “For the purposes of this part:

1           “(1) ADULT.—The term ‘adult’ means an indi-  
2       vidual who—

3                   “(A) has attained the age of 16 years; or

4                   “(B) has attained an age that is greater  
5       than the age of compulsory school attendance  
6       under an applicable State law.

7           “(2) FREE PUBLIC EDUCATION.—The term  
8       ‘free public education’ means education that is—

9                   “(A) provided at public expense, under  
10       public supervision and direction, and without  
11       tuition charge; and

12                   “(B) provided as elementary or secondary  
13       education in the applicable State or to preschool  
14       children.

15           “(3) INDIAN.—The term ‘Indian’ means an in-  
16       dividual who is—

17                   “(A) a member of an Indian tribe or band,  
18       as membership is defined by the tribe or band,  
19       including—

20                           “(i) any tribe or band terminated  
21       since 1940; and

22                           “(ii) any tribe or band recognized by  
23       the State in which the tribe or band re-  
24       sides;



1           “(B) a descendant, in the first or second  
2           degree, of an individual described in subpara-  
3           graph (A);

4           “(C) considered by the Secretary of the In-  
5           terior to be an Indian for any purpose;

6           “(D) an Eskimo, Aleut, or other Alaska  
7           Native; or

8           “(E) a member of an organized Indian  
9           group that received a grant under the Indian  
10          Education Act of 1988 as it was in effect the  
11          day preceding the date of the enactment of the  
12          Improving America’s Schools Act of 1994.

13   **“SEC. 9162. AUTHORIZATIONS OF APPROPRIATIONS.**

14          “(a) SUBPART 1.—For the purpose of carrying out  
15          subpart 1 of this part, there are authorized to be appro-  
16          priated \$62,000,000 for fiscal year 2000, and such sums  
17          as may be necessary for each of fiscal years 2001 through  
18          2004.

19          “(b) SUBPARTS 2 AND 3.—For the purpose of car-  
20          rying out subparts 2 and 3 of this part, there are author-  
21          ized to be appropriated \$4,000,000 for fiscal year 2000,  
22          and such sums as may be necessary for each of the fiscal  
23          years 2001 through 2004.”.

24               (2) NATIVE HAWAIIAN EDUCATION.—Part B of  
25          title IX (20 U.S.C. 7901 et seq.) is repealed.

1           (3) ALASKA NATIVE EDUCATION.—Part C of  
2       title IX (20 U.S.C. 7931 et seq.) is amended—

3           (A) by repealing sections 9304 through  
4       9306 and inserting the following:

5       **“SEC. 9304. PROGRAM AUTHORIZED.**

6       ““(a) GENERAL AUTHORITY.—

7           “(1) PROGRAM AUTHORIZED.—The Secretary is  
8       authorized to make grants to, or enter into contracts  
9       with, Alaska Native organizations, educational enti-  
10      ties with experience in developing or operating Alas-  
11      ka Native programs or programs of instruction con-  
12      ducted in Alaska Native languages, and consortia of  
13      such organizations and entities to carry out pro-  
14      grams that meet the purpose of this part.

15          “(2) PERMISSIBLE ACTIVITIES.—Programs  
16      under this part may include—

17           “(A) the development and implementation  
18          of plans, methods, and strategies to improve the  
19          education of Alaska Natives;

20           “(B) the development of curricula and edu-  
21          cational programs that address the educational  
22          needs of Alaska Native students, including—

23                  “(i) curriculum materials that reflect  
24                  the cultural diversity or the contributions  
25                  of Alaska Natives;

1 “(ii) instructional programs that make  
2 use of Native Alaskan languages; and

3 “(iii) networks that introduce success-  
4 ful programs, materials, and techniques to  
5 urban and rural schools;

6 “(C) professional development activities for  
7 educators, including—

8 “(i) programs to prepare teachers to  
9 address the cultural diversity and unique  
10 needs of Alaska Native students;

11 “(ii) in-service programs to improve  
12 the ability of teachers to meet the unique  
13 needs of Alaska Native students; and

14 “(iii) recruiting and preparing teach-  
15 ers who are Alaska Natives, reside in com-  
16 munities with high concentrations of Alas-  
17 ka Native students, or are likely to succeed  
18 as teachers in isolated, rural communities  
19 and engage in cross-cultural instruction;

20 “(D) the development and operation of  
21 home instruction programs for Alaska Native  
22 preschool children, the purpose of which is to  
23 ensure the active involvement of parents in  
24 their children’s education from the earliest  
25 ages;

1                   “(E) family Literacy Services;

2                   “(F) the development and operation of stu-  
3                   dent enrichment programs in science and math-  
4                   ematics that—

5                   “(i) are designed to prepare Alaska  
6                   Native students from rural areas, who are  
7                   preparing to enter high school, to excel in  
8                   science and math; and

9                   “(ii) provide appropriate support serv-  
10                  ices to the families of such students that  
11                  are needed to enable such students to ben-  
12                  efit from the program;

13                  “(G) research and data collection activities  
14                  to determine the educational status and needs  
15                  of Alaska Native children and adults;

16                  “(H) other research and evaluation activi-  
17                  ties related to programs under this part; and

18                  “(I) other activities, consistent with the  
19                  purposes of this part, to meet the educational  
20                  needs of Alaska Native children and adults.

21                  “(3) HOME INSTRUCTION PROGRAMS.—Home  
22                  instruction programs for Alaska Native preschool  
23                  children under paragraph (2)(D) may include—

24                  “(A) programs for parents and their in-  
25                  fants, from prenatal through age three;

1                   “(B) preschool programs; and

2                   “(C) training, education, and support for  
3           parents in such areas as reading readiness, ob-  
4           servation, story-telling, and critical thinking.—

5           “(b) LIMITATION ON ADMINISTRATIVE COSTS.—Not  
6   more than 5 percent of funds provided to a grantee under  
7   this section for any fiscal year may be used for administra-  
8   tive purposes.

9           “(c) AUTHORIZATION OF APPROPRIATIONS.—There  
10   are authorized to be appropriated \$10,000,000 for fiscal  
11   year 2000, and such sums as may be necessary for each  
12   of the fiscal years 2001 through 2004 to carry out this  
13   part.”;

14                   (B) in section 9307—

15                   (i) by amending subsection (b) to read  
16                   as follows:

17           “(b) APPLICATIONS.—State and local educational  
18   agencies may apply for an award under this part only as  
19   part of a consortium involving an Alaska Native organiza-  
20   tion. This consortium may include other eligible appli-  
21   cants.”;

22                   (ii) by amending subsection (d) to  
23                   read as follows:

24           “(d) LOCAL EDUCATIONAL AGENCY COORDINA-  
25   TION.—Each applicant for an award under this part shall

1 inform each local educational agency serving students who  
2 would participate in the project about its application.”;  
3 and

4 (iii) by striking subsection (e); and

5 (C) by redesignating sections 9307 and  
6 9308 as sections 9305 and 9306, respectively.

7 (4) REPEALS, TRANSFERS, AND REDESIGNA-  
8 TIONS.—Title III (20 U.S.C 6801 et seq.) is further  
9 amended—

10 (A) by transferring title IX (20 U.S.C.  
11 7801 et seq.) (as amended by this subsection)  
12 to title III and inserting such title IX after part  
13 B (as inserted by section 302(a)(2)); and

14 (B) by redesignating the heading for title  
15 IX (as transferred by subparagraph (A)) as the  
16 heading for part C, and redesignating accord-  
17 ingly the references within and to such title as  
18 references within and to such part, respectively.

19 (b) AMENDMENTS TO THE EDUCATION AMEND-  
20 MENTS OF 1978.—Part B of title XI of the Education  
21 Amendments of 1978 (25 U.S.C. 2001 et seq.) is amended  
22 to read as follows:

1           **“PART B—BUREAU OF INDIAN AFFAIRS**

2                           **PROGRAMS**

3   **“SEC. 1120. FINDING AND POLICY.**

4           “(a) FINDING.—Congress finds and recognizes that  
5 the Federal Government has the sole responsibility for the  
6 operation and financial support of the Bureau of Indian  
7 Affairs funded school system that it has established on  
8 or near Indian reservations and Indian trust lands  
9 throughout the Nation for Indian children.

10          “(b) POLICY.—It is the policy of the United States  
11 to work in full cooperation with Indian tribes toward the  
12 goal of assuring that the programs of the Bureau of In-  
13 dian Affairs funded school system are of the highest qual-  
14 ity and meet the unique educational and cultural needs  
15 of Indian children.

16   **“SEC. 1121. ACCREDITATION AND STANDARDS FOR THE**  
17                           **BASIC EDUCATION OF INDIAN CHILDREN IN**  
18                           **BUREAU OF INDIAN AFFAIRS SCHOOLS.**

19          “(a) PURPOSE; DECLARATIONS OF PURPOSES.—

20               “(1) PURPOSE.—The purpose of the standards  
21 implemented under this section shall be to afford In-  
22 dian students being served by a school funded by the  
23 Bureau of Indian Affairs the same opportunities as  
24 all other students in the United States to achieve  
25 the same challenging State performance standards  
26 expected of all students.

1           “(2) DECLARATIONS OF PURPOSES.—Local  
2 school boards for schools operated by the Bureau of  
3 Indian Affairs, in cooperation and consultation with  
4 their tribal governing bodies and their communities,  
5 are encouraged to adopt declarations of purposes of  
6 education for their communities taking into account  
7 the implications of such purposes on education in  
8 their communities and for their schools. In adopting  
9 such declarations of purpose, the school boards shall  
10 consider the effect those declarations may have on  
11 the motivation of students and faculties. Such dec-  
12 larations shall represent the aspirations of the com-  
13 munity for the kinds of people the community would  
14 like its children to become, and shall include assur-  
15 ances that all learners will become accomplished in  
16 things and ways important to them and respected by  
17 their parents and communities, shaping worthwhile  
18 and satisfying lives for themselves, exemplifying the  
19 best values of the community and humankind, and  
20 becoming increasingly effective in shaping the char-  
21 acter and quality of the world all learners share.  
22 These declarations of purpose shall influence the  
23 standards for accreditation to be accepted by the  
24 schools.



1       “(b) STUDIES AND SURVEYS RELATING TO STAND-  
2 ARDS.—Not later than 1 year after the date of the enact-  
3 ment of the Public Education Reinvestment, Reinvention,  
4 and Responsibility Act (Three R’s), the Secretary, in con-  
5 sultation with the Secretary of Education, consortia of  
6 education organizations, and Indian organizations and  
7 tribes, and making the fullest use possible of other existing  
8 studies, surveys, and plans, shall carry out by contract  
9 with an Indian organization, studies and surveys to estab-  
10 lish and revise standards for the basic education of Indian  
11 children attending Bureau funded schools. Such studies  
12 and surveys shall take into account factors such as aca-  
13 demic needs, local cultural differences, type and level of  
14 language skills, geographic isolation, and appropriate  
15 teacher-student ratios for such children, and shall be di-  
16 rected toward the attainment of equal educational oppor-  
17 tunity for such children.

18       “(c) REVISION OF MINIMUM ACADEMIC STAND-  
19 ARDS.—

20               “(1) IN GENERAL.—Not later than 2 years  
21 after the date of the enactment of the Public Edu-  
22 cation Reinvestment, Reinvention, and Responsibility  
23 Act (Three R’s), the Secretary shall—

24                       “(A) propose revisions to the minimum  
25 academic standards published in the Federal

1 Register on September 9, 1995 (50 Fed. Reg.  
2 174) for the basic education of Indian children  
3 attending Bureau funded schools in accordance  
4 with the purpose described in subsection (a)  
5 and the findings of the studies and surveys con-  
6 ducted under subsection (b);

7 “(B) publish such proposed revisions to  
8 such standards in the Federal Register for the  
9 purpose of receiving comments from the tribes,  
10 tribal school boards, Bureau funded schools,  
11 and other interested parties; and

12 “(C) consistent with the provisions of this  
13 section and section 1131, take such actions as  
14 are necessary to coordinate standards imple-  
15 mented under this section with the Comprehen-  
16 sive School Reform Plan developed by the Bu-  
17 reau and—

18 “(i) with the standards of the im-  
19 provement plans for the States in which  
20 any school operated by the Bureau of In-  
21 dian Affairs is located; or

22 “(ii) in the case where schools oper-  
23 ated by the Bureau are within the bound-  
24 aries of reservation land of one tribe but  
25 within the boundaries of more than one

1 State, with the standards of the State im-  
2 provement plan of one such State selected  
3 by the tribe.

4 “(2) FURTHER REVISIONS.—Not later than 6  
5 months after the close of the comment period, the  
6 Secretary shall establish final standards, distribute  
7 such standards to all tribes and publish such final  
8 standards in the Federal Register. The Secretary  
9 shall revise such standards periodically as necessary.  
10 Prior to any revision of such final standards, the  
11 Secretary shall distribute such proposed revision to  
12 all the tribes, and publish such proposed revision in  
13 the Federal Register, for the purpose of receiving  
14 comments from the tribes and other interested par-  
15 ties.

16 “(3) APPLICABILITY OF STANDARDS.—Except  
17 as provided in subsection (e), the final standards  
18 published under paragraph (2) shall apply to all Bu-  
19 reau funded schools not accredited under subsection  
20 (f), and may also serve as a model for educational  
21 programs for Indian children in public schools.

22 “(4) CONSIDERATIONS WHEN ESTABLISHING  
23 AND REVISING STANDARDS.—In establishing and re-  
24 vising such standards, the Secretary shall take into  
25 account the unique needs of Indian students and

1 support and reinforcement of the specific cultural  
2 heritage of each tribe.

3 “(d) ALTERNATIVE OR MODIFIED STANDARDS.—The  
4 Secretary shall provide alternative or modified standards  
5 in lieu of the standards established under subsection (c),  
6 where necessary, so that the programs of each school are  
7 in compliance with the minimum accreditation standards  
8 required for schools in the State or region where the school  
9 is located.

10 “(e) WAIVER OF STANDARDS; ALTERNATIVE STAND-  
11 ARDS.—A tribal governing body, or the local school board  
12 so designated by the tribal governing body, shall have the  
13 local authority to waive, in part or in whole, the standards  
14 established under subsections (c) and (d) if such standards  
15 are deemed by such body to be inappropriate. The tribal  
16 governing body or designated school board shall, not later  
17 than 60 days after a waiver under this subsection, submit  
18 to the Secretary a proposal for alternative standards that  
19 take into account the specific needs of the tribe’s children.  
20 Such alternative standards shall be established by the Sec-  
21 retary unless specifically rejected by the Secretary for  
22 good cause and in writing to the affected tribes or local  
23 school board, which rejection shall be final and not subject  
24 to review.

1       “(f) ACCREDITATION AND IMPLEMENTATION OF  
2 STANDARDS.—

3               “(1) DEADLINE FOR MEETING STANDARDS.—

4       Not later than the second academic year after publi-  
5 cation of the standards, to the extent necessary  
6 funding is provided, all Bureau funded schools shall  
7 meet the standards established under subsections (c)  
8 and (d) or shall be accredited—

9               “(A) by a tribal accrediting body, if the ac-  
10       creditation standards of the tribal accrediting  
11       body have been accepted by formal action of the  
12       tribal governing body and are equal to or ex-  
13       ceed the accreditation standards of the State or  
14       region in which the school is located;

15              “(B) by a regional accreditation agency; or

16              “(C) by State accreditation standards for  
17       the State in which it is located.

18              “(2) DETERMINATION OF STANDARDS TO BE  
19       APPLIED.—The accreditation type or standards ap-  
20       plied for each school shall be determined by the  
21       school board of the school, in consultation with the  
22       Administrator of the school, provided that in the  
23       case where the School Board and the Administrator  
24       fail to agree on the type of accreditation and stand-  
25       ards to apply, the decision of the school board with

1 the approval of the tribal governing body shall be  
2 final.

3 “(3) ASSISTANCE TO SCHOOL BOARDS.—The  
4 Secretary, through contracts and grants, shall assist  
5 school boards of contract or grant schools in imple-  
6 mentation of the standards established under sub-  
7 sections (c) and (d), if the school boards request  
8 that such standards, in part or in whole, be imple-  
9 mented.

10 “(4) FISCAL CONTROL AND FUND ACCOUNTING  
11 STANDARDS.—The Bureau shall, either directly or  
12 through contract with an Indian organization, estab-  
13 lish a consistent system of reporting standards for  
14 fiscal control and fund accounting for all contract  
15 and grant schools. Such standards shall provide data  
16 comparable to those used by Bureau operated  
17 schools.

18 “(g) ANNUAL PLAN FOR MEETING OF STAND-  
19 ARDS.—Except as provided in subsections (e) and (f), the  
20 Secretary shall begin to implement the standards estab-  
21 lished under this section immediately upon the date of  
22 their establishment. On an annual basis, the Secretary  
23 shall submit to the appropriate committees of Congress,  
24 all Bureau funded schools, and the tribal governing bodies  
25 of such schools a detailed plan to bring all Bureau schools

1 and contract or grant schools up to the level required by  
2 the applicable standards established under this section.  
3 Such plan shall include detailed information on the status  
4 of each school's educational program in relation to the ap-  
5 plicable standards established under this section, specific  
6 cost estimates for meeting such standards at each school  
7 and specific timelines for bringing each school up to the  
8 level required by such standards.

9 “(h) CLOSURE OR CONSOLIDATION OF SCHOOLS.—

10 “(1) IN GENERAL.—Except as specifically re-  
11 quired by statute, no school or peripheral dormitory  
12 operated by the Bureau on or after January 1,  
13 1992, may be closed or consolidated or have its pro-  
14 gram substantially curtailed unless done according  
15 to the requirements of this subsection.

16 “(2) EXCEPTIONS.—This subsection shall not  
17 apply—

18 “(A) in those cases where the tribal gov-  
19 erning body, or the local school board concerned  
20 (if so designated by the tribal governing body),  
21 requests closure or consolidation; or

22 “(B) when a temporary closure, consolida-  
23 tion, or substantial curtailment is required by  
24 plant conditions which constitute an immediate  
25 hazard to health and safety.

1           “(3) REGULATIONS.—The Secretary shall, by  
2           regulation, promulgate standards and procedures for  
3           the closure, transfer to another authority, consolida-  
4           tion, or substantial curtailment of Bureau schools, in  
5           accordance with the requirements of this subsection.

6           “(4) NOTICE.—Whenever closure, transfer to  
7           another authority, consolidation, or substantial cur-  
8           tailment of a school is under active consideration or  
9           review by any division of the Bureau or the Depart-  
10          ment of the Interior, the affected tribe, tribal gov-  
11          erning body, and designated local school board, will  
12          be notified immediately, kept fully and currently in-  
13          formed, and afforded an opportunity to comment  
14          with respect to such consideration or review. When  
15          a formal decision is made to close, transfer to an-  
16          other authority, consolidate, or substantially curtail  
17          a school, the affected tribe, tribal governing body,  
18          and designated school board shall be notified at least  
19          6 months prior to the end of the school year pre-  
20          ceding the proposed closure date. Copies of any such  
21          notices and information shall be transmitted prompt-  
22          ly to the appropriate committees of Congress and  
23          published in the Federal Register.

24          “(5) REPORT.—The Secretary shall make a re-  
25          port to the appropriate committees of Congress, the



1 affected tribe, and the designated school board de-  
2 scribing the process of the active consideration or re-  
3 view referred to in paragraph (4). The report shall  
4 include a study of the impact of such action on the  
5 student population, identify those students with par-  
6 ticular educational and social needs, and ensure that  
7 alternative services are available to such students.  
8 Such report shall include the description of the con-  
9 sultation conducted between the potential service  
10 provider, current service provider, parents, tribal  
11 representatives and the tribe or tribes involved, and  
12 the Director of the Office of Indian Education Pro-  
13 grams within the Bureau regarding such students.

14 “(6) LIMITATION ON CERTAIN ACTIONS.—No  
15 irrevocable action may be taken in furtherance of  
16 any such proposed school closure, transfer to an-  
17 other authority, consolidation or substantial curtail-  
18 ment (including any action which would prejudice  
19 the personnel or programs of such school) prior to  
20 the end of the first full academic year after such re-  
21 port is made.

22 “(7) TRIBAL GOVERNING BODY APPROVAL RE-  
23 QUIRED FOR CERTAIN ACTIONS.—The Secretary may  
24 terminate, contract, transfer to any other authority,

1       consolidate, or substantially curtail the operation or  
2       facilities of—

3               “(A) any Bureau funded school that is op-  
4               erated on or after of January 1, 1999;

5               “(B) any program of such a school that is  
6               operated on or after January 1, 1999; or

7               “(C) any school board of a school operated  
8               under a grant under the Tribally Controlled  
9               Schools Act of 1988,  
10       only if the tribal governing body approves such ac-  
11       tion.

12       “(i) APPLICATION FOR CONTRACTS OR GRANTS FOR  
13       NON-BUREAU FUNDED SCHOOLS OR EXPANSION OF BU-  
14       REAU FUNDED SCHOOLS.—

15               “(1) IN GENERAL.—(A)(i) The Secretary shall  
16       only consider the factors described in subparagraph  
17       (B) in reviewing—

18               “(I) applications from any tribe for the  
19               awarding of a contract or grant for a school  
20               that is not a Bureau funded school; and

21               “(II) applications from any tribe or school  
22               board of any Bureau funded school for—

23               “(aa) a school which is not a Bureau  
24               funded school; or

1                   “(bb) the expansion of a Bureau  
2                   funded school which would increase the  
3                   amount of funds received by the Indian  
4                   tribe or school board under section 1127.

5                   “(ii) With respect to applications described in  
6                   this subparagraph, the Secretary shall give consider-  
7                   ation to all the factors described in subparagraph  
8                   (B), but no such application shall be denied based  
9                   primarily upon the geographic proximity of com-  
10                  parable public education.

11                  “(B) With respect to applications described in  
12                  subparagraph (A) the Secretary shall consider the  
13                  following factors relating to the program and serv-  
14                  ices that are the subject of the application:

15                       “(i) The adequacy of the facilities or the  
16                       potential to obtain or provide adequate facili-  
17                       ties.

18                       “(ii) Geographic and demographic factors  
19                       in the affected areas.

20                       “(iii) The adequacy of the applicant’s pro-  
21                       gram plans or, in the case of a Bureau funded  
22                       school, of projected needs analysis done either  
23                       by the tribe or the Bureau.

24                       “(iv) Geographic proximity of comparable  
25                       public education.

1           “(v) The stated needs of all affected par-  
2           ties, including students, families, tribal govern-  
3           ments at both the central and local levels, and  
4           school organizations.

5           “(vi) Adequacy and comparability of pro-  
6           grams already available.

7           “(vii) Consistency of available programs  
8           with tribal educational codes or tribal legisla-  
9           tion on education.

10          “(viii) The history and success of these  
11          services for the proposed population to be  
12          served, as determined from all factors, including  
13          but not limited to standardized examination  
14          performance.

15          “(2) DETERMINATION ON APPLICATION.—(A)  
16          The Secretary shall make a determination of wheth-  
17          er to approve any application described in paragraph  
18          (1)(A) not later than 180 days after such applica-  
19          tion is submitted to the Secretary.

20          “(B) If the Secretary fails to make the deter-  
21          mination with respect to an application by the date  
22          described in subparagraph (A), the application shall  
23          be treated as having been approved by the Secretary.

24          “(3) REQUIREMENTS FOR APPLICATIONS.—(A)  
25          Notwithstanding paragraph (2)(B), an application

1 described in paragraph (1)(A) may be approved by  
2 the Secretary only if—

3 “(i) the application has been approved by  
4 the tribal governing body of the students served  
5 by (or to be served by) the school or program  
6 that is the subject of the application; and

7 “(ii) written evidence of such approval is  
8 submitted with the application.

9 “(B) Each application described in paragraph  
10 (1)(A) shall provide information concerning each of  
11 the factors described in paragraph (1)(B).

12 “(4) DENIAL OF APPLICATIONS.—Whenever the  
13 Secretary makes a determination to deny approval of  
14 any application described in paragraph (1)(A), the  
15 Secretary shall—

16 “(A) state the objections in writing to the  
17 applicant not later 180 days after the applica-  
18 tion is submitted to the Secretary;

19 “(B) provide assistance to the applicant to  
20 overcome stated objections; and

21 “(C) provide the applicant a hearing,  
22 under the same rules and regulations pertaining  
23 to the Indian Self-Determination and Education  
24 Assistance Act and an opportunity to appeal  
25 the objections raised by the Secretary.

1           “(5) EFFECTIVE DATE OF A SUBJECT APPLICA-  
2           TION.—(A) Except as otherwise provided in this  
3           paragraph, the action which is the subject of any ap-  
4           plication described in paragraph (1)(A) that is ap-  
5           proved by the Secretary shall become effective at the  
6           beginning of the academic year following the fiscal  
7           year in which the application is approved, or at an  
8           earlier date determined by the Secretary.

9           “(B) If an application is treated as having been  
10          approved by the Secretary under paragraph (2)(B),  
11          the action that is the subject of the application shall  
12          become effective on the date that is 18 months after  
13          the date on which the application is submitted to the  
14          Secretary, or at an earlier date determined by the  
15          Secretary.

16          “(6) STATUTORY CONSTRUCTION.—Nothing in  
17          this section shall be read so as to preclude the ex-  
18          pansion of grades and related facilities at a Bureau  
19          funded school where such expansion and the mainte-  
20          nance of such expansion is occasioned or paid for  
21          with non-Bureau funds.

22          “(j) GENERAL USE OF FUNDS.—Funds received by  
23          Bureau funded schools from the Bureau of Indian Affairs  
24          and under any program from the Department of Edu-  
25          cation or any other Federal agency for the purpose of pro-

1 viding education or related services may be used for  
2 schoolwide projects to improve the educational program  
3 for all Indian students.

4 “(k) STUDY ON ADEQUACY OF FUNDS AND FOR-  
5 MULAS.—The Comptroller General shall conduct a study,  
6 in consultation with Indian tribes and local school boards,  
7 to determine the adequacy of funding, and formulas used  
8 by the Bureau to determine funding, for programs oper-  
9 ated by Bureau funded schools, taking into account unique  
10 circumstances applicable to Bureau funded schools, as well  
11 as expenditures for comparable purposes in public schools  
12 nationally. Upon completion of the study, the Secretary  
13 of the Interior shall take such action as necessary to en-  
14 sure distribution of the findings of the study to all affected  
15 Indian tribes, local school boards, and associations of local  
16 school boards.

17 **“SEC. 1122. NATIONAL CRITERIA FOR HOME LIVING SITUA-**  
18 **TIONS.**

19 “(a) IN GENERAL.—The Secretary, in consultation  
20 with the Secretary of Education, Indian organizations and  
21 tribes, and Bureau funded schools, shall revise the na-  
22 tional standards for home-living (dormitory) situations to  
23 include such factors as heating, lighting, cooling, adult-  
24 child ratios, needs for counselors (including special needs  
25 related to off-reservation home-living (dormitory) situa-

1 tions), therapeutic programs, space, and privacy. Such  
2 standards shall be implemented in Bureau operated  
3 schools, and shall serve as minimum standards for con-  
4 tract or grant schools. Once established, any revisions of  
5 such standards shall be developed according to the re-  
6 quirements established under section 1138A.

7       “(b) IMPLEMENTATION.—The Secretary shall imple-  
8 ment the revised standards established under this section  
9 immediately upon their completion.

10       “(c) PLAN.—At the time of each annual budget sub-  
11 mission for Bureau educational services is presented, the  
12 Secretary shall submit to the appropriate committees of  
13 Congress, the tribes, and the affected schools, and publish  
14 in the Federal Register, a detailed plan to bring all Bu-  
15 reau funded schools that provide home-living (dormitory)  
16 situations up to the standards established under this sec-  
17 tion. Such plan shall include a statement of the relative  
18 needs of each Bureau funded home-living (dormitory)  
19 school, projected future needs of each Bureau funded  
20 home-living (dormitory) school, detailed information on  
21 the status of each school in relation to the standards es-  
22 tablished under this section, specific cost estimates for  
23 meeting each standard for each such school, aggregate  
24 cost estimates for bringing all such schools into compli-  
25 ance with the criteria established under this section, and



1 specific timelines for bringing each school into compliance  
2 with such standards.

3 “(d) WAIVER.—The criteria established under this  
4 section may be waived in the same manner as the stand-  
5 ards provided under section 1121(c) may be waived.

6 “(e) CLOSURE FOR FAILURE TO MEET STANDARDS  
7 PROHIBITED.—No school in operation on or before Janu-  
8 ary 1, 1987 (regardless of compliance or noncompliance  
9 with the criteria established under this section), may be  
10 closed, transferred to another authority, consolidated, or  
11 have its program substantially curtailed for failure to meet  
12 the criteria.

13 **“SEC. 1123. CODIFICATION OF REGULATIONS.**

14 “(a) PART 32 OF TITLE 25 OF CODE OF FEDERAL  
15 REGULATIONS.—The provisions of part 32 of title 25 of  
16 the Code of Federal Regulations, as in effect on January  
17 1, 1987, are incorporated into this Act and shall be treat-  
18 ed as though such provisions are set forth in this sub-  
19 section. Such provisions may be altered only by means of  
20 an Act of Congress. To the extent that such provisions  
21 of part 32 do not conform with this Act or any statutory  
22 provision of law enacted before November 1, 1978, the  
23 provisions of this Act and the provisions of such other  
24 statutory law shall govern.

1       “(b) REGULATION DEFINED.—For purposes of this  
2 part, the term ‘regulation’ means any rules, regulations,  
3 guidelines, interpretations, orders, or requirements of gen-  
4 eral applicability prescribed by any officer or employee of  
5 the executive branch.

6       **“SEC. 1124. SCHOOL BOUNDARIES.**

7       “(a) ESTABLISHMENT BY SECRETARY.—The Sec-  
8 retary shall establish, by regulation, separate geographical  
9 attendance areas for each Bureau funded school.

10       “(b) ESTABLISHMENT BY TRIBAL BODY.—In any  
11 case where there is more than one Bureau funded school  
12 located on an Indian reservation, at the direction of the  
13 tribal governing body, the relevant school boards of the  
14 Bureau funded schools on the reservation may, by mutual  
15 consent, establish the relevant attendance areas for such  
16 schools, subject to the approval of the tribal governing  
17 body. Any such boundaries so established shall be accepted  
18 by the Secretary.

19       “(c) BOUNDARY REVISIONS.—

20               “(1) IN GENERAL.—On or after July 1, 1999,  
21 no geographical attendance area shall be revised or  
22 established with respect to any Bureau funded  
23 school unless the tribal governing body or the local  
24 school board concerned (if so designated by the trib-  
25 al governing body) has been afforded—

1           “(A) at least 6 months notice of the inten-  
2           tion of the Bureau to revise or establish such  
3           attendance area; and

4           “(B) the opportunity to propose alternative  
5           boundaries.

6           Any tribe may petition the Secretary for revision of  
7           existing attendance area boundaries. The Secretary  
8           shall accept such proposed alternative or revised  
9           boundaries unless the Secretary finds, after con-  
10          sultation with the affected tribe or tribes, that such  
11          revised boundaries do not reflect the needs of the In-  
12          dian students to be served or do not provide ade-  
13          quate stability to all of the affected programs. The  
14          Secretary shall cause such revisions to be published  
15          in the Federal Register.

16          “(2) TRIBAL RESOLUTION DETERMINATION.—  
17          Nothing in this section shall be interpreted as deny-  
18          ing a tribal governing body the authority, on a con-  
19          tinuing basis, to adopt a tribal resolution allowing  
20          parents the choice of the Bureau funded school their  
21          children may attend, regardless of the attendance  
22          boundaries established under this section.

23          “(d) FUNDING RESTRICTIONS.—The Secretary shall  
24          not deny funding to a Bureau funded school for any eligi-  
25          ble Indian student attending the school solely because that

1 student's home or domicile is outside of the geographical  
2 attendance area established for that school under this sec-  
3 tion. No funding shall be made available without tribal au-  
4 thorization to enable a school to provide transportation for  
5 any student to or from the school and a location outside  
6 the approved attendance area of the school.

7       “(e) RESERVATION AS BOUNDARY.—In any case  
8 where there is only one Bureau funded program located  
9 on an Indian reservation, the attendance area for the pro-  
10 gram shall be the boundaries (established by treaty, agree-  
11 ment, legislation, court decisions, or executive decisions  
12 and as accepted by the tribe) of the reservation served,  
13 and those students residing near the reservation shall also  
14 receive services from such program.

15       “(f) OFF-RESERVATION HOME-LIVING (DORMITORY)  
16 SCHOOLS.—Notwithstanding any geographical attendance  
17 areas, attendance at off-reservation home-living (dor-  
18 mitory) schools shall include students requiring special  
19 emphasis programs to be implemented at each off-reserva-  
20 tion home-living (dormitory) school. Such attendance shall  
21 be coordinated between education line officers, the family,  
22 and the referring and receiving programs.

23 **“SEC. 1125. FACILITIES CONSTRUCTION.**

24       “(a) COMPLIANCE WITH HEALTH AND SAFETY  
25 STANDARDS.—The Secretary shall immediately begin to

1 bring all schools, dormitories, and other Indian education-  
2 related facilities operated by the Bureau or under contract  
3 or grant with the Bureau into compliance with all applica-  
4 ble tribal, Federal, or State health and safety standards,  
5 whichever provides greater protection (except that the  
6 tribal standards to be applied shall be no greater than any  
7 otherwise applicable Federal or State standards), with sec-  
8 tion 504 of the Rehabilitation Act of 1973, and with the  
9 Americans with Disabilities Act of 1990. Nothing in this  
10 section shall require termination of the operations of any  
11 facility which does not comply with such provisions and  
12 which is in use on the date of the enactment of the Public  
13 Education Reinvestment, Reinvention, and Responsibility  
14 Act (Three R's).

15       “(b) COMPLIANCE PLAN.—At the time that the an-  
16 nual budget request for Bureau educational services is  
17 presented, the Secretary shall submit to the appropriate  
18 committees of Congress a detailed plan to bring all facili-  
19 ties covered under subsection (a) of this section into com-  
20 pliance with the standards referred to in subsection (a).  
21 Such plan shall include detailed information on the status  
22 of each facility's compliance with such standards, specific  
23 cost estimates for meeting such standards at each school,  
24 and specific timelines for bringing each school into compli-  
25 ance with such standards.

1 “(c) CONSTRUCTION PRIORITIES.—

2 “(1) SYSTEM TO ESTABLISH PRIORITIES.—On  
3 an annual basis the Secretary shall submit to the  
4 appropriate committees of Congress and cause to be  
5 published in the Federal Register, the system used  
6 to establish priorities for replacement and construc-  
7 tion projects for Bureau funded schools and home-  
8 living schools, including boarding schools and dor-  
9 mitories. At the time any budget request for edu-  
10 cation is presented, the Secretary shall publish in  
11 the Federal Register and submit with the budget re-  
12 quest the current list of all Bureau funded school  
13 construction priorities.

14 “(2) LONG-TERM CONSTRUCTION AND RE-  
15 PLACEMENT LIST.—In addition to the plan sub-  
16 mitted under subsection (b), the Secretary shall—

17 “(A) not later than 18 months after the  
18 date of the enactment of the Public Education  
19 Reinvestment, Reinvention, and Responsibility  
20 Act (Three R’s), establish a long-term construc-  
21 tion and replacement list for all Bureau funded  
22 schools;

23 “(B) using the list prepared under sub-  
24 paragraph (A), propose a list for the orderly re-  
25 placement of all Bureau funded education-re-

1           lated facilities over a period of 40 years to en-  
2           able planning and scheduling of budget re-  
3           quests;

4               “(C) cause the list prepared under sub-  
5           section (B) to be published in the Federal Reg-  
6           ister and allow a period of not less than 120  
7           days for public comment;

8               “(D) make such revisions to the list pre-  
9           pared under subparagraph (B) as are appro-  
10          prium based on the comments received; and

11               “(E) cause the final list to be published in  
12          the Federal Register.

13               “(3) EFFECT ON OTHER LIST.—Nothing in this  
14          section shall be construed as interfering with or  
15          changing in any way the construction priority list as  
16          it exists on the date of the enactment of the Public  
17          Education Reinvestment, Reinvention, and Responsi-  
18          bility Act (Three R’s).

19               “(d) HAZARDOUS CONDITION AT BUREAU  
20          SCHOOL.—

21               “(1) CLOSURE OR CONSOLIDATION.—A Bureau  
22          funded school may be closed or consolidated, and the  
23          programs of a Bureau funded school may be sub-  
24          stantially curtailed by reason of plant conditions  
25          that constitute an immediate hazard to health and

1 safety only if a health and safety officer of the Bu-  
2 reau determines that such conditions exist at the  
3 Bureau funded school.

4 “(2) INSPECTION.—(A) After making a deter-  
5 mination described in paragraph (1), the Bureau  
6 health and safety officer shall conduct an inspection  
7 of the condition of such plant accompanied by an ap-  
8 propriate tribal, county, municipal, or State health  
9 and safety officer in order to determine whether con-  
10 ditions at such plant constitute an immediate hazard  
11 to health and safety. Such inspection shall be com-  
12 pleted by not later than the date that is 30 days  
13 after the date on which the action described in para-  
14 graph (1) is taken. No further negative action may  
15 be taken unless the findings are concurred in by the  
16 second, non-Bureau of Indian Affairs inspector.

17 “(B) If the health and safety officer conducting  
18 the inspection of a plant required under subpara-  
19 graph (A) determines that conditions at the plant do  
20 not constitute an immediate hazard to health and  
21 safety, any consolidation or curtailment that was  
22 made under paragraph (1) shall immediately cease  
23 and any school closed by reason of conditions at the  
24 plant shall be reopened immediately.



1           “(C) If a Bureau funded school is temporarily  
2           closed or consolidated or the programs of a Bureau  
3           funded school are substantially curtailed under this  
4           subsection and the Secretary determines that the  
5           closure, consolidation, or curtailment will exceed 1  
6           year, the Secretary shall submit to the Congress, by  
7           not later than 6 months after the date on which the  
8           closure, consolidation, or curtailment was initiated, a  
9           report which sets forth the reasons for such tem-  
10          porary actions, the actions the Secretary is taking to  
11          eliminate the conditions that constitute the hazard,  
12          and an estimated date by which such actions will be  
13          concluded.

14          “(e) FUNDING REQUIREMENT.—

15               “(1) DISTRIBUTION OF FUNDS.—Beginning  
16               with the fiscal year following the year of the date of  
17               the enactment of the Student Results Act of 1999  
18               (Three R’s), all funds appropriated for the oper-  
19               ations and maintenance of Bureau funded schools  
20               shall be distributed by formula to the schools. No  
21               funds from this account may be retained or seg-  
22               regated by the Bureau to pay for administrative or  
23               other costs of any facilities branch or office, at any  
24               level of the Bureau.

1           “(2) REQUIREMENTS FOR CERTAIN USES.—No  
2       funds shall be withheld from the distribution to the  
3       budget of any school operated under contract or  
4       grant by the Bureau for maintenance or any other  
5       facilities or road related purpose, unless such school  
6       has consented, as a modification to the contract or  
7       in writing for grants schools, to the withholding of  
8       such funds, including the amount thereof, the pur-  
9       pose for which the funds will be used, and the  
10      timeline for the services to be provided. The school  
11      may, at the end of any fiscal year, cancel an agree-  
12      ment under this paragraph upon giving the Bureau  
13      30 days notice of its intent to do so.

14      “(f) NO REDUCTION IN FEDERAL FUNDING.—Noth-  
15      ing in this section shall be construed to diminish any Fed-  
16      eral funding due to the receipt by the school of funding  
17      for facilities improvement or construction from a State or  
18      any other source.

19      **“SEC. 1126. BUREAU OF INDIAN AFFAIRS EDUCATION FUNC-**  
20                                   **TIONS.**

21      “(a) FORMULATION AND ESTABLISHMENT OF POL-  
22      ICY AND PROCEDURE; SUPERVISION OF PROGRAMS AND  
23      EXPENDITURES.—The Secretary shall vest in the Assist-  
24      ant Secretary for Indian Affairs all functions with respect  
25      to formulation and establishment of policy and procedure

1 and supervision of programs and expenditures of Federal  
2 funds for the purpose of Indian education administered  
3 by the Bureau. The Assistant Secretary shall carry out  
4 such functions through the Director of the Office of Indian  
5 Education Programs.

6 “(b) DIRECTION AND SUPERVISION OF PERSONNEL  
7 OPERATIONS.—Not later than 6 months after the date of  
8 the enactment of the Public Education Reinvestment, Re-  
9 invention, and Responsibility Act (Three R’s), the Direc-  
10 tor of the Office of Indian Education Programs shall di-  
11 rect and supervise the operations of all personnel directly  
12 and substantially involved in the provision of education  
13 services by the Bureau, including school or institution cus-  
14 todial or maintenance personnel, facilities management,  
15 contracting, procurement, and finance personnel. The As-  
16 sistant Secretary for Indian Affairs shall coordinate the  
17 transfer of functions relating to procurement, contracts,  
18 operation, and maintenance of schools and other support  
19 functions to the Director.

20 “(c) EVALUATION OF PROGRAMS; SERVICES AND  
21 SUPPORT FUNCTIONS; TECHNICAL AND COORDINATING  
22 ASSISTANCE.—Education personnel who are under the di-  
23 rection and supervision of the Director of the Office of  
24 Indian Education Programs in accordance with the first  
25 sentence of subsection (b) shall—

1           “(1) monitor and evaluate Bureau education  
2       programs;

3           “(2) provide all services and support functions  
4       for education programs with respect to personnel  
5       matters involving staffing actions and functions; and

6           “(3) provide technical and coordinating assist-  
7       ance in areas such as procurement, contracting,  
8       budgeting, personnel, curriculum, and operation and  
9       maintenance of school facilities.

10       “(d) CONSTRUCTION, IMPROVEMENT, OPERATION,  
11   AND MAINTENANCE OF FACILITIES.—

12           “(1) PLAN FOR CONSTRUCTION.—The Assistant  
13       Secretary shall submit in the annual budget a  
14       plan—

15           “(A) for school facilities to be constructed  
16       under section 1125(c);

17           “(B) for establishing priorities among  
18       projects and for the improvement and repair of  
19       educational facilities, which together shall form  
20       the basis for the distribution of appropriated  
21       funds; and

22           “(C) for capital improvements to be made  
23       over the five succeeding years.

24           “(2) PROGRAM FOR OPERATION AND MAINTENANCE.—  
25

1           “(A) IN GENERAL.—The Assistant Sec-  
2           retary shall establish a program, including the  
3           distribution of appropriated funds, for the oper-  
4           ation and maintenance of education facilities.  
5           Such program shall include—

6                   “(i) a method of computing the  
7                   amount necessary for each educational fa-  
8                   cility;

9                   “(ii) similar treatment of all Bureau  
10                  funded schools;

11                  “(iii) a notice of an allocation of ap-  
12                  propriated funds from the Director of the  
13                  Office of Indian Education Programs di-  
14                  rectly to the education line officers and ap-  
15                  propriate school officials;

16                  “(iv) a method for determining the  
17                  need for, and priority of, facilities repair  
18                  and maintenance projects, both major and  
19                  minor. In making such determination, the  
20                  Assistant Secretary shall cause to be con-  
21                  ducted a series of meetings at the agency  
22                  and area level with representatives of the  
23                  Bureau funded schools in those areas and  
24                  agencies to receive comment on the lists  
25                  and prioritization of such projects; and

1                   “(v) a system for the conduct of rou-  
2                   tine preventive maintenance.

3                   “(B) The appropriate education line offi-  
4                   cers shall make arrangements for the mainte-  
5                   nance of education facilities with the local su-  
6                   pervisors of the Bureau maintenance personnel.  
7                   The local supervisors of Bureau maintenance  
8                   personnel shall take appropriate action to im-  
9                   plement the decisions made by the appropriate  
10                  education line officers, except that no funds  
11                  under this chapter may be authorized for ex-  
12                  penditure unless such appropriate education  
13                  line officer is assured that the necessary main-  
14                  tenance has been, or will be, provided in a rea-  
15                  sonable manner.

16                  “(3) IMPLEMENTATION.—The requirements of  
17                  this subsection shall be implemented as soon as  
18                  practicable after the date of the enactment of the  
19                  Public Education Reinvestment, Reinvention, and  
20                  Responsibility Act (Three R’s).

21                  “(e) ACCEPTANCE OF GIFTS AND BEQUESTS.—Not-  
22                  withstanding any other provision of law, the Director shall  
23                  promulgate guidelines for the establishment of mecha-  
24                  nisms for the acceptance of gifts and bequests for the use  
25                  and benefit of particular schools or designated Bureau op-

1 erated education programs, including, where appropriate,  
 2 the establishment and administration of trust funds.  
 3 When a Bureau operated program is the beneficiary of  
 4 such a gift or bequest, the Director shall make provisions  
 5 for monitoring its use and shall report to the appropriate  
 6 committees of Congress the amount and terms of such gift  
 7 or bequest, the manner in which such gift or bequest shall  
 8 be used, and any results achieved by such action.

9 “(f) FUNCTIONS CLARIFIED.—For the purpose of  
 10 this section, the term ‘functions’ includes powers and du-  
 11 ties.

12 **“SEC. 1127. ALLOTMENT FORMULA.**

13 “(a) FACTORS CONSIDERED; REVISION TO REFLECT  
 14 STANDARDS.—

15 “(1) FORMULA.—The Secretary shall establish,  
 16 by regulation adopted in accordance with section  
 17 1138A, a formula for determining the minimum an-  
 18 nual amount of funds necessary to sustain each Bu-  
 19 reau funded school. In establishing such formula,  
 20 the Secretary shall consider—

21 “(A) the number of eligible Indian stu-  
 22 dents served and total student population of the  
 23 school;

24 “(B) special cost factors, such as—

25 “(i) the isolation of the school;

1                   “(ii) the need for special staffing,  
2                   transportation, or educational programs;

3                   “(iii) food and housing costs;

4                   “(iv) maintenance and repair costs as-  
5                   sociated with the physical condition of the  
6                   educational facilities;

7                   “(v) special transportation and other  
8                   costs of isolated and small schools;

9                   “(vi) the costs of home-living (dor-  
10                  mitory) arrangements, where determined  
11                  necessary by a tribal governing body or  
12                  designated school board;

13                  “(vii) costs associated with greater  
14                  lengths of service by education personnel;

15                  “(viii) the costs of therapeutic pro-  
16                  grams for students requiring such pro-  
17                  grams; and

18                  “(ix) special costs for gifted and tal-  
19                  ented students;

20                  “(C) the cost of providing academic serv-  
21                  ices which are at least equivalent to those pro-  
22                  vided by public schools in the State in which  
23                  the school is located; and

24                  “(D) such other relevant factors as the  
25                  Secretary determines are appropriate.



1           “(2) REVISION OF FORMULA.—Upon the estab-  
2           lishment of the standards required in sections 1121  
3           and 1122, the Secretary shall revise the formula es-  
4           tablished under this subsection to reflect the cost of  
5           funding such standards. Not later than January 1,  
6           2001, the Secretary shall review the formula estab-  
7           lished under this section and shall take such steps  
8           as are necessary to increase the availability of coun-  
9           seling and therapeutic programs for students in off-  
10          reservation home-living (dormitory) schools and  
11          other Bureau operated residential facilities. Concur-  
12          rent with such action, the Secretary shall review the  
13          standards established under section 1122 to be cer-  
14          tain that adequate provision is made for parental no-  
15          tification regarding, and consent for, such counseling  
16          and therapeutic programs.

17          “(b) PRO RATA ALLOTMENT.—Notwithstanding any  
18          other provision of law, Federal funds appropriated for the  
19          general local operation of Bureau funded schools shall be  
20          allotted pro rata in accordance with the formula estab-  
21          lished under subsection (a).

22          “(c) ANNUAL ADJUSTMENT; RESERVATION OF  
23          AMOUNT FOR SCHOOL BOARD ACTIVITIES.—

24                 “(1) ANNUAL ADJUSTMENT.—For fiscal year  
25                 2001, and for each subsequent fiscal year, the Sec-

1       retary shall adjust the formula established under  
2       subsection (a) to—

3               “(A) use a weighted unit of 1.2 for each el-  
4       igible Indian student enrolled in the seventh  
5       and eighth grades of the school in considering  
6       the number of eligible Indian students served  
7       by the school;

8               “(B) consider a school with an enrollment  
9       of less than 50 eligible Indian students as hav-  
10      ing an average daily attendance of 50 eligible  
11      Indian students for purposes of implementing  
12      the adjustment factor for small schools;

13              “(C) take into account the provision of res-  
14      idential services on less than a 9-month basis at  
15      a school when the school board and supervisor  
16      of the school determine that a less than 9-  
17      month basis will be implemented for the school  
18      year involved;

19              “(D) use a weighted unit of 2.0 for each  
20      eligible Indian student that—

21                      “(i) is gifted and talented; and

22                      “(ii) is enrolled in the school on a full-  
23      time basis,

24      in considering the number of eligible Indian  
25      students served by the school; and

1           “(E) use a weighted unit of 0.25 for each  
2           eligible Indian student who is enrolled in a  
3           yearlong credit course in an Indian or Native  
4           language as part of the regular curriculum of a  
5           school, in considering the number of eligible In-  
6           dian students served by such school.

7           The adjustment required under subparagraph (E)  
8           shall be used for such school after—

9           “(i) the certification of the Indian or Na-  
10          tive language curriculum by the school board of  
11          such school to the Secretary, together with an  
12          estimate of the number of full-time students ex-  
13          pected to be enrolled in the curriculum in the  
14          second school year for which the certification is  
15          made; and

16          (ii) the funds appropriated for allotment  
17          under this section are designated by the appro-  
18          priations Act appropriating such funds as the  
19          amount necessary to implement such adjust-  
20          ment at such school without reducing allot-  
21          ments made under this section to any school by  
22          virtue of such adjustment.

23          “(2) RESERVATION OF AMOUNT.—

24          “(A) IN GENERAL.—From the funds allot-  
25          ted in accordance with the formula established

1 under subsection (a) for each Bureau school,  
2 the local school board of such school may re-  
3 serve an amount which does not exceed the  
4 greater of—

5 “(i) \$8,000; or

6 “(ii) the lesser of—

7 “(I) \$15,000; or

8 “(II) 1 percent of such allotted  
9 funds,

10 for school board activities for such school, in-  
11 cluding (notwithstanding any other provision of  
12 law) meeting expenses and the cost of member-  
13 ship in, and support of, organizations engaged  
14 in activities on behalf of Indian education.

15 “(B) TRAINING.—Each school board shall  
16 see that each new member of the school board  
17 receives, within 12 months of the individual’s  
18 assuming a position on the school board, 40  
19 hours of training relevant to that individual’s  
20 service on the board. Such training may include  
21 legal issues pertaining to schools funded by the  
22 Bureau, legal issues pertaining to school  
23 boards, ethics, and other topics deemed appro-  
24 priate by the school board.

1       “(d) RESERVATION OF AMOUNT FOR EMER-  
2       GENCIES.—The Secretary shall reserve from the funds  
3       available for distribution for each fiscal year under this  
4       section an amount which, in the aggregate, shall equal 1  
5       percent of the funds available for such purpose for that  
6       fiscal year. Such funds shall be used, at the discretion of  
7       the Director of the Office of Indian Education Programs,  
8       to meet emergencies and unforeseen contingencies affect-  
9       ing the education programs funded under this section.  
10      Funds reserved under this subsection may only be ex-  
11      pended for education services or programs, including  
12      emergency repairs of educational facilities, at a schoolsite  
13      (as defined by section 5204(c)(2) of the Tribally Con-  
14      trolled Schools Act of 1988). Funds reserved under this  
15      subsection shall remain available without fiscal year limi-  
16      tation until expended. However, the aggregate amount  
17      available from all fiscal years may not exceed 1 percent  
18      of the current year funds. Whenever, the Secretary makes  
19      funds available under this subsection, the Secretary shall  
20      report such action to the appropriate committees of Con-  
21      gress within the annual budget submission.

22      “(e) SUPPLEMENTAL APPROPRIATIONS.—Supple-  
23      mental appropriations enacted to meet increased pay costs  
24      attributable to school level personnel shall be distributed  
25      under this section.

1       “(f) ELIGIBLE INDIAN STUDENT DEFINED.—For the  
2 purpose of this section, the term ‘eligible Indian student’  
3 means a student who—

4               “(1) is a member of or is at least one-fourth de-  
5 gree Indian blood descendant of a member of an In-  
6 dian tribe which is eligible for the special programs  
7 and services provided by the United States through  
8 the Bureau because of their status as Indians; and

9               “(2) resides on or near an Indian reservation or  
10 meets the criteria for attendance at a Bureau off-  
11 reservation home-living (dormitory) school.

12       “(g) TUITION.—

13               “(1) IN GENERAL.—An eligible Indian student  
14 may not be charged tuition for attendance at a Bu-  
15 reau school or contract or grant school. A student  
16 attending a Bureau school under paragraph (2)(C)  
17 may not be charged tuition for attendance at such  
18 a school.

19               “(2) ATTENDANCE OF NON-INDIAN STUDENTS  
20 AT BUREAU SCHOOLS.—The Secretary may permit  
21 the attendance at a Bureau school of a student who  
22 is not an eligible Indian student if—

23                       “(A) the Secretary determines that the  
24 student’s attendance will not adversely affect  
25 the school’s program for eligible Indian stu-

1           dents because of cost, overcrowding, or violation  
2           of standards or accreditation;

3           “(B) the school board consents;

4           “(C) the student is a dependent of a Bu-  
5           reau, Indian Health Service, or tribal govern-  
6           ment employee who lives on or near the school  
7           site; or

8           “(D) a tuition is paid for the student that  
9           is not more than that charged by the nearest  
10          public school district for out-of-district stu-  
11          dents, and shall be in addition to the school’s  
12          allocation under this section.

13          “(3) ATTENDANCE OF NON-INDIAN STUDENTS  
14          AT CONTRACT AND GRANT SCHOOLS.—The school  
15          board of a contract or grant school may permit stu-  
16          dents who are not eligible Indian students under this  
17          subsection to attend its contract school or grant  
18          school and any tuition collected for those students  
19          shall be in addition to funding received under this  
20          section.

21          “(h) FUNDS AVAILABLE WITHOUT FISCAL YEAR  
22          LIMITATION.—Notwithstanding any other provision of  
23          law, at the election of the school board of a Bureau school  
24          made at any time during the fiscal year, a portion equal  
25          to not more than 15 percent of the funds allocated with

1 respect to a school under this section for any fiscal year  
2 shall remain available to the school for expenditure with-  
3 out fiscal year limitation. The Assistant Secretary shall  
4 take steps as may be necessary to implement this provi-  
5 sion.

6 “(i) STUDENTS AT RICHFIELD DORMITORY, RICH-  
7 FIELD, UTAH.—Tuition for out-of-State Indian students  
8 in home-living (dormitory) arrangements at the Richfield  
9 dormitory in Richfield, Utah, who attend Sevier County  
10 high schools in Richfield, Utah, shall be paid from the In-  
11 dian school equalization program funds authorized in this  
12 section and section 1130 at a rate not to exceed the  
13 amounts per weighted student unit for that year for the  
14 instruction of such students. No additional administrative  
15 cost funds shall be added to the grant.

16 **“SEC. 1128. ADMINISTRATIVE COST GRANTS.**

17 “(a) GRANTS; EFFECT UPON APPROPRIATED  
18 AMOUNTS.—

19 “(1) GRANTS.—Subject to the availability of  
20 appropriated funds, the Secretary shall provide  
21 grants to each tribe or tribal organization operating  
22 a contract school or grant school in the amount de-  
23 termined under this section with respect to the tribe  
24 or tribal organization for the purpose of paying the  
25 administrative and indirect costs incurred in oper-



1       ating contract or grant schools, provided that no  
2       school operated as a stand-alone institution shall re-  
3       ceive less than \$200,000.00 per year for these pur-  
4       poses, in order to—

5               “(A) enable tribes and tribal organizations  
6       operating such schools, without reducing direct  
7       program services to the beneficiaries of the pro-  
8       gram, to provide all related administrative over-  
9       head services and operations necessary to meet  
10      the requirements of law and prudent manage-  
11      ment practice; and

12              “(B) carry out other necessary support  
13      functions which would otherwise be provided by  
14      the Secretary or other Federal officers or em-  
15      ployees, from resources other than direct pro-  
16      gram funds, in support of comparable Bureau  
17      operated programs.

18              “(2)       EFFECT       UPON       APPROPRIATED  
19      AMOUNTS.—Amounts appropriated to fund the  
20      grants provided under this section shall be in addi-  
21      tion to, and shall not reduce, the amounts appro-  
22      priated for the program being administered by the  
23      contract or grant school.

24              “(b) DETERMINATION OF GRANT AMOUNT.—

1           “(1) IN GENERAL.—The amount of the grant  
2           provided to each tribe or tribal organization under  
3           this section for each fiscal year shall be determined  
4           by applying the administrative cost percentage rate  
5           of the tribe or tribal organization to the aggregate  
6           of the Bureau elementary and secondary functions  
7           operated by the tribe or tribal organization for which  
8           funds are received from or through the Bureau. The  
9           administrative cost percentage rate determined  
10          under subsection (c) does not apply to other pro-  
11          grams operated by the tribe or tribal organization.

12          “(2) DIRECT COST BASE FUNDS.—The Sec-  
13          retary shall—

14               “(A) reduce the amount of the grant deter-  
15               mined under paragraph (1) to the extent that  
16               payments for administrative costs are actually  
17               received by an Indian tribe or tribal organiza-  
18               tion under any Federal education program in-  
19               cluded in the direct cost base of the tribe or  
20               tribal organization; and

21               “(B) take such actions as may be nec-  
22               essary to be reimbursed by any other depart-  
23               ment or agency of the Federal Government for  
24               the portion of grants made under this section  
25               for the costs of administering any program for

1           Indians that is funded by appropriations made  
2           to such other department or agency.

3           “(c) ADMINISTRATIVE COST PERCENTAGE RATE.—

4           “(1) IN GENERAL.—For purposes of this sec-  
5           tion, the administrative cost percentage rate for a  
6           contract or grant school for a fiscal year is equal to  
7           the percentage determined by dividing—

8           “(A) the sum of—

9           “(i) the amount equal to—

10           “(I) the direct cost base of the  
11           tribe or tribal organization for the fis-  
12           cal year, multiplied by

13           “(II) the minimum base rate;  
14           plus

15           “(ii) the amount equal to—

16           “(I) the standard direct cost  
17           base; multiplied by

18           “(II) the maximum base rate; by

19           “(B) the sum of—

20           “(i) the direct cost base of the tribe or  
21           tribal organization for the fiscal year; plus

22           “(ii) the standard direct cost base.

23           “(2) ROUNDING.—The administrative cost per-  
24           centage rate shall be determined to the  $\frac{1}{100}$  of a  
25           decimal point.

1 “(d) COMBINING FUNDS.—

2 “(1) IN GENERAL.—Funds received by a tribe  
3 or contract or grant school as grants under this sec-  
4 tion for tribal elementary or secondary educational  
5 programs may be combined by the tribe or contract  
6 or grant school into a single administrative cost ac-  
7 count without the necessity of maintaining separate  
8 funding source accounting.

9 “(2) INDIRECT COST FUNDS.—Indirect cost  
10 funds for programs at the school which share com-  
11 mon administrative services with tribal elementary  
12 or secondary educational programs may be included  
13 in the administrative cost account described in para-  
14 graph (1).

15 “(e) AVAILABILITY OF FUNDS.—Funds received as  
16 grants under this section with respect to tribal elementary  
17 or secondary education programs shall remain available to  
18 the contract or grant school without fiscal year limitation  
19 and without diminishing the amount of any grants other-  
20 wise payable to the school under this section for any fiscal  
21 year beginning after the fiscal year for which the grant  
22 is provided.

23 “(f) TREATMENT OF FUNDS.—Funds received as  
24 grants under this section for Bureau funded programs op-  
25 erated by a tribe or tribal organization under a contract

1 or agreement shall not be taken into consideration for pur-  
2 poses of indirect cost underrecovery and overrecovery de-  
3 terminations by any Federal agency for any other funds,  
4 from whatever source derived.

5 “(g) TREATMENT OF ENTITY OPERATING OTHER  
6 PROGRAMS.—In applying this section and section 105 of  
7 the Indian Self-Determination and Education Assistance  
8 Act with respect to an Indian tribe or tribal organization  
9 that—

10 “(1) receives funds under this section for ad-  
11 ministrative costs incurred in operating a contract or  
12 grant school or a school operated under the Tribally  
13 Controlled Schools Act of 1988; and

14 “(2) operates one or more other programs  
15 under a contract or grant provided under the Indian  
16 Self-Determination and Education Assistance Act,  
17 the Secretary shall ensure that the Indian tribe or tribal  
18 organization is provided with the full amount of the ad-  
19 ministrative costs that are associated with operating the  
20 contract or grant school, and of the indirect costs, that  
21 are associated with all of such other programs, provided  
22 that funds appropriated for implementation of this section  
23 shall be used only to supply the amount of the grant re-  
24 quired to be provided by this section.

25 “(h) DEFINITIONS.—For purposes of this section:

1           “(1) ADMINISTRATIVE COST.—(A) The term  
2           ‘administrative cost’ means the costs of necessary  
3           administrative functions which—

4                   “(i) the tribe or tribal organization incurs  
5                   as a result of operating a tribal elementary or  
6                   secondary educational program;

7                   “(ii) are not customarily paid by com-  
8                   parable Bureau operated programs out of direct  
9                   program funds; and

10                  “(iii) are either—

11                           “(I) normally provided for comparable  
12                           Bureau programs by Federal officials  
13                           using resources other than Bureau direct  
14                           program funds; or

15                           “(II) are otherwise required of tribal  
16                           self-determination program operators by  
17                           law or prudent management practice.

18           “(B) The term ‘administrative cost’ may  
19           include—

20                   “(i) contract or grant (or other agreement)  
21                   administration;

22                   “(ii) executive, policy, and corporate lead-  
23                   ership and decisionmaking;

24                   “(iii) program planning, development, and  
25                   management;

1           “(iv) fiscal, personnel, property, and pro-  
2           curement management;

3           “(v) related office services and record  
4           keeping; and

5           “(vi) costs of necessary insurance, audit-  
6           ing, legal, safety and security services.

7           “(2) BUREAU ELEMENTARY AND SECONDARY  
8           FUNCTIONS.—The term ‘Bureau elementary and sec-  
9           ondary functions’ means—

10           “(A) all functions funded at Bureau  
11           schools by the Office;

12           “(B) all programs—

13           “(i) funds for which are appropriated  
14           to other agencies of the Federal Govern-  
15           ment; and

16           “(ii) which are administered for the  
17           benefit of Indians through Bureau schools;  
18           and

19           “(C) all operation, maintenance, and repair  
20           funds for facilities and government quarters  
21           used in the operation or support of elementary  
22           and secondary education functions for the ben-  
23           efit of Indians, from whatever source derived.

24           “(3) DIRECT COST BASE.—(A) Except as other-  
25           wise provided in subparagraph (B), the direct cost

1 base of a tribe or tribal organization for the fiscal  
2 year is the aggregate direct cost program funding  
3 for all tribal elementary or secondary educational  
4 programs operated by the tribe or tribal organization  
5 during—

6 “(i) the second fiscal year preceding such  
7 fiscal year; or

8 “(ii) if such programs have not been oper-  
9 ated by the tribe or tribal organization during  
10 the two preceding fiscal years, the first fiscal  
11 year preceding such fiscal year.

12 “(B) In the case of Bureau elementary or sec-  
13 ondary education functions which have not pre-  
14 viously been operated by a tribe or tribal organiza-  
15 tion under contract, grant, or agreement with the  
16 Bureau, the direct cost base for the initial year shall  
17 be the projected aggregate direct cost program fund-  
18 ing for all Bureau elementary and secondary func-  
19 tions to be operated by the tribe or tribal organiza-  
20 tion during that fiscal year.

21 “(4) MAXIMUM BASE RATE.—The term ‘max-  
22 imum base rate’ means 50 percent.

23 “(5) MINIMUM BASE RATE.—The term ‘min-  
24 imum base rate’ means 11 percent.



1           “(6) STANDARD DIRECT COST BASE.—The term  
2           ‘standard direct cost base’ means \$600,000.

3           “(7) TRIBAL ELEMENTARY OR SECONDARY  
4           EDUCATIONAL PROGRAMS.—The term ‘tribal elemen-  
5           tary or secondary educational programs’ means all  
6           Bureau elementary and secondary functions, to-  
7           gether with any other Bureau programs or portions  
8           of programs (excluding funds for social services that  
9           are appropriated to agencies other than the Bureau  
10          and are expended through the Bureau, funds for  
11          major subcontracts, construction, and other major  
12          capital expenditures, and unexpended funds carried  
13          over from prior years) which share common adminis-  
14          trative cost functions, that are operated directly by  
15          a tribe or tribal organization under a contract,  
16          grant, or agreement with the Bureau.

17          “(i) STUDIES FOR DETERMINATION OF FACTORS AF-  
18          FECTING COSTS; BASE RATES LIMITS; STANDARD DI-  
19          RECT COST BASE; REPORT TO CONGRESS.—

20          “(1) STUDIES.—Not later than 120 days after  
21          the date of the enactment of the Public Education  
22          Reinvestment, Reinvention, and Responsibility Act  
23          (Three R’s), the Director of the Office of Indian  
24          Education Programs shall—

1           “(A) conduct such studies as may be need-  
2           ed to establish an empirical basis for deter-  
3           mining relevant factors substantially affecting  
4           required administrative costs of tribal elemen-  
5           tary and secondary education programs, using  
6           the formula set forth in subsection (c); and

7           “(B) conduct a study to determine—

8                 “(i) a maximum base rate which en-  
9                 sures that the amount of the grants pro-  
10                vided under this section will provide ade-  
11                quate (but not excessive) funding of the  
12                administrative costs of the smallest tribal  
13                elementary or secondary educational pro-  
14                grams;

15               “(ii) a minimum base rate which en-  
16                sures that the amount of the grants pro-  
17                vided under this section will provide ade-  
18                quate (but not excessive) funding of the  
19                administrative costs of the largest tribal el-  
20                ementary or secondary educational pro-  
21                grams; and

22               “(iii) a standard direct cost base  
23                which is the aggregate direct cost funding  
24                level for which the percentage determined  
25                under subsection (c) will—

1                   “(I) be equal to the median be-  
2                   tween the maximum base rate and the  
3                   minimum base rate; and

4                   “(II) ensure that the amount of  
5                   the grants provided under this section  
6                   will provide adequate (but not exces-  
7                   sive) funding of the administrative  
8                   costs of tribal elementary or sec-  
9                   ondary educational programs closest  
10                  to the size of the program.

11               “(2) GUIDELINES.—The studies required under  
12               paragraph (1) shall—

13               “(A) be conducted in full consultation (in  
14               accordance with section 1131) with—

15               “(i) the tribes and tribal organizations  
16               that are affected by the application of the  
17               formula set forth in subsection (c); and

18               “(ii) all national and regional Indian  
19               organizations of which such tribes and  
20               tribal organizations are typically members;

21               “(B) be conducted onsite with a represent-  
22               ative statistical sample of the tribal elementary  
23               or secondary educational programs under a con-  
24               tract entered into with a nationally reputable  
25               public accounting and business consulting firm;

“(C) take into account the availability of skilled labor; commodities, business and automatic data processing services, related Indian preference and Indian control of education requirements, and any other market factors found substantially to affect the administrative costs and efficiency of each such tribal elementary or secondary educational program studied in order to assure that all required administrative activities can reasonably be delivered in a cost effective manner for each such program, given an administrative cost allowance generated by the values, percentages, or other factors found in the studies to be relevant in such formula;

“(D) identify, and quantify in terms of percentages of direct program costs, any general factors arising from geographic isolation, or numbers of programs administered, independent of program size factors used to compute a base administrative cost percentage in such formula; and

“(E) identify any other incremental cost factors substantially affecting the costs of required administrative cost functions at any of the tribal elementary or secondary educational

1           programs studied and determine whether the  
2           factors are of general applicability to other such  
3           programs, and (if so) how the factors may ef-  
4           fectively be incorporated into such formula.

5           “(3) CONSULTATION WITH INSPECTOR GEN-  
6           ERAL.—In carrying out the studies required under  
7           this subsection, the Director shall obtain the input  
8           of, and afford an opportunity to participate to, the  
9           Inspector General of the Department of the Interior.

10          “(4) CONSIDERATION OF DELIVERY OF ADMIN-  
11          ISTRATIVE SERVICES.—Determinations described in  
12          paragraph (2)(C) shall be based on what is prac-  
13          ticable at each location studied, given prudent man-  
14          agement practice, irrespective of whether required  
15          administrative services were actually or fully deliv-  
16          ered at these sites, or whether other services were  
17          delivered instead, during the period of the study.

18          “(5) REPORT.—Upon completion of the studies  
19          conducted under paragraph (1), the Director shall  
20          submit to Congress a report on the findings of the  
21          studies, together with determinations based upon  
22          such studies that would affect the definitions set  
23          forth under subsection (e) that are used in the for-  
24          mula set forth in subsection (c).

1           “(6) PROJECTION OF COSTS.—The Secretary  
2       shall include in the Bureau’s justification for each  
3       appropriations request beginning in the first fiscal  
4       year after the completion of the studies conducted  
5       under paragraph (1), a projection of the overall  
6       costs associated with the formula set forth in sub-  
7       section (c) for all tribal elementary or secondary  
8       education programs which the Secretary expects to  
9       be funded in the fiscal year for which the appropria-  
10      tions are sought.

11           “(7) DETERMINATION OF PROGRAM SIZE.—For  
12      purposes of this subsection, the size of tribal elemen-  
13      tary or secondary educational programs is deter-  
14      mined by the aggregate direct cost program funding  
15      level for all Bureau funded programs which share  
16      common administrative cost functions.

17           “(j) AUTHORIZATION OF APPROPRIATIONS.—

18           “(1) IN GENERAL.—There are authorized to be  
19      appropriated such sums as necessary to carry out  
20      this section.

21           “(2) REDUCTIONS.—If the total amount of  
22      funds necessary to provide grants to tribes and trib-  
23      al organizations in the amounts determined under  
24      subsection (b) for a fiscal year exceeds the amount  
25      of funds appropriated to carry out this section for

1       such fiscal year, the Secretary shall reduce the  
2       amount of each grant determined under subsection  
3       (b) for such fiscal year by an amount that bears the  
4       same relationship to such excess as the amount of  
5       such grants determined under subsection (b) bears  
6       to the total of all grants determined under sub-  
7       section (b) section for all tribes and tribal organiza-  
8       tions for such fiscal year.

9       “(k) APPLICABILITY TO SCHOOLS OPERATING  
10      UNDER TRIBALLY CONTROLLED SCHOOLS ACT OF  
11      1988.—The provisions of this section shall also apply to  
12      those schools operating under the Tribally Controlled  
13      Schools Act of 1988.

14   **“SEC. 1129. DIVISION OF BUDGET ANALYSIS.**

15       “(a) ESTABLISHMENT.—Not later than 12 months  
16      after the date of the enactment of the Public Education  
17      Reinvestment, Reinvention, and Responsibility Act (Three  
18      R’s), the Secretary shall establish within the Office of In-  
19      dian Education Programs a Division of Budget Analysis  
20      (hereinafter referred to as the ‘Division’). Such Division  
21      shall be under the direct supervision and control of the  
22      Director of the Office.

23       “(b) FUNCTIONS.—In consultation with the tribal  
24      governing bodies and tribal school boards, the Director of  
25      the Office, through the Division, shall conduct studies,

1 surveys, or other activities to gather demographic informa-  
2 tion on Bureau funded schools and project the amount  
3 necessary to provide Indian students in such schools the  
4 educational program set forth in this part.

5 “(c) ANNUAL REPORTS.—Not later than the date  
6 that the Assistant Secretary for Indian Affairs makes the  
7 annual budget submission, for each fiscal year after the  
8 date of the enactment of the Public Education Reinvest-  
9 ment, Reinvention, and Responsibility Act (Three R’s),  
10 the Director of the Office shall submit to the appropriate  
11 committees of Congress (including the Appropriations  
12 committees), all Bureau funded schools, and the tribal  
13 governing bodies of such schools, a report which shall  
14 contain—

15 “(1) projections, based upon the information  
16 gathered pursuant to subparagraph (b) and any  
17 other relevant information, of amounts necessary to  
18 provide Indian students in Bureau funded schools  
19 the educational program set forth in this part;

20 “(2) a description of the methods and formulas  
21 used to calculate the amounts projected pursuant to  
22 paragraph (1); and

23 “(3) such other information as the Director of  
24 the Office considers appropriate.



1       “(d) USE OF REPORTS.—The Director of the Office  
2 and the Assistant Secretary for Indian Affairs shall use  
3 the annual report required by subsection (c) when pre-  
4 paring their annual budget submissions.

5       **“SEC. 1130. UNIFORM DIRECT FUNDING AND SUPPORT.**

6       “(a) ESTABLISHMENT OF SYSTEM AND FORWARD  
7 FUNDING.—

8               “(1) IN GENERAL.—The Secretary shall estab-  
9 lish, by regulation adopted in accordance with sec-  
10 tion 1138, a system for the direct funding and sup-  
11 port of all Bureau funded schools. Such system shall  
12 allot funds in accordance with section 1127. All  
13 amounts appropriated for distribution under this  
14 section may be made available under paragraph (2).

15              “(2) TIMING FOR USE OF FUNDS.—(A) For the  
16 purposes of affording adequate notice of funding  
17 available pursuant to the allotments made under sec-  
18 tion 1127, amounts appropriated in an appropria-  
19 tions Act for any fiscal year shall become available  
20 for obligation by the affected schools on July 1 of  
21 the fiscal year in which such amounts are appro-  
22 priated without further action by the Secretary, and  
23 shall remain available for obligation through the suc-  
24 ceeding fiscal year.

1           “(B) The Secretary shall, on the basis of the  
2           amount appropriated in accordance with this  
3           paragraph—

4                   “(i) publish, not later than July 1 of the  
5                   fiscal year for which the funds are appro-  
6                   priated, allotments to each affected school made  
7                   under section 1127 of 85 percent of such ap-  
8                   propriation; and

9                   “(ii) publish, not later than September 30  
10                  of such fiscal year, the allotments to be made  
11                  under section 1127 of the remaining 15 percent  
12                  of such appropriation, adjusted to reflect the  
13                  actual student attendance.

14               “(3) LIMITATION.—(A) Notwithstanding any  
15               other provision of law or regulation, the supervisor  
16               of a Bureau funded school may expend an aggregate  
17               of not more than \$50,000 of the amount allotted the  
18               school under section 1127 to acquire materials, sup-  
19               plies, equipment, services, operation, and mainte-  
20               nance for the school without competitive bidding if—

21                   “(i) the cost for any single item purchased  
22                   does not exceed \$15,000;

23                   “(ii) the school board approves the pro-  
24                   curement;

1           “(iii) the supervisor certifies that the cost  
2           is fair and reasonable;

3           “(iv) the documents relating to the pro-  
4           curement executed by the supervisor or other  
5           school staff cite this paragraph as authority for  
6           the procurement; and

7           “(v) the transaction is documented in a  
8           journal maintained at the school clearly identi-  
9           fying when the transaction occurred, what was  
10          acquired and from whom, the price paid, the  
11          quantities acquired, and any other information  
12          the supervisor or school board considers rel-  
13          evant.

14          “(B) Not later than 6 months after the date of  
15          the enactment of the Public Education Reinvest-  
16          ment, Reinvention, and Responsibility Act (Three  
17          R’s), the Secretary shall cause to be sent to each su-  
18          pervisor of a Bureau operated program and school  
19          board chairperson, the education line officer or offi-  
20          cers of each agency and area, and the Bureau Divi-  
21          sion in charge of procurement, at both the local and  
22          national levels, notice of this paragraph.

23          “(C) The Director shall be responsible for de-  
24          termining the application of this paragraph, includ-  
25          ing the authorization of specific individuals to carry

1 out this paragraph, and shall be responsible for the  
2 provision of guidelines on the use of this paragraph  
3 and adequate training on such guidelines.

4 “(4) EFFECT OF SEQUESTRATION ORDER.—If a  
5 sequestration order issued under the Balanced  
6 Budget and Emergency Deficit Control Act of 1985  
7 reduces the amount of funds available for allotment  
8 under section 1127 for any fiscal year by more than  
9 7 percent of the amount of funds available for allot-  
10 ment under such section during the preceding fiscal  
11 year—

12 “(A) to fund allotments under section  
13 1127, the Secretary, notwithstanding any other  
14 law, may use—

15 “(i) funds appropriated for the oper-  
16 ation of any Bureau school that is closed  
17 or consolidated; and

18 “(ii) funds appropriated for any pro-  
19 gram that has been curtailed at any Bu-  
20 reau school; and

21 “(B) the Secretary may waive the applica-  
22 tion of the provisions of section 1121(h) with  
23 respect to the closure or consolidation of a  
24 school, or the curtailment of a program at a  
25 school, during such fiscal year if the funds de-

1           scribed in clauses (i) and (ii) of subparagraph  
2           (A) with respect to such school are used to fund  
3           allotments made under section 1127 for such  
4           fiscal year.

5           “(b) LOCAL FINANCIAL PLANS FOR EXPENDITURE  
6 OF FUNDS.—

7           “(1) PLAN REQUIRED.—(A) In the case of all  
8           Bureau operated schools, allotted funds shall be ex-  
9           pended on the basis of local financial plans which  
10          ensure meeting the accreditation requirements or  
11          standards for the school established pursuant to sec-  
12          tion 1121 and which shall be prepared by the local  
13          school supervisor in active consultation with the local  
14          school board for each school. The local school board  
15          for each school shall have the authority to ratify, re-  
16          ject, or amend such financial plan, and expenditures  
17          thereunder, and, on its own determination or in re-  
18          sponse to the supervisor of the school, to revise such  
19          financial plan to meet needs not foreseen at the time  
20          of preparation of the financial plan.

21          “(B) The supervisor—

22                  “(i) shall put into effect the decisions of  
23                  the school board;

24                  “(ii) shall provide the appropriate local  
25                  union representative of the education employees

1 with copies of proposed draft financial plans  
2 and all amendments or modifications thereto, at  
3 the same time such copies are submitted to the  
4 local school board; and

5 “(iii) may appeal any such action of the  
6 local school board to the appropriate education  
7 line officer of the Bureau agency by filing a  
8 written statement describing the action and the  
9 reasons the supervisor believes such action  
10 should be overturned. A copy of such statement  
11 shall be submitted to the local school board and  
12 such board shall be afforded an opportunity to  
13 respond, in writing, to such appeal. After re-  
14 viewing such written appeal and response, the  
15 appropriate education line officer may, for good  
16 cause, overturn the action of the local school  
17 board. The appropriate education line officer  
18 shall transmit the determination of such appeal  
19 in the form of a written opinion to such board  
20 and to such supervisor identifying the reasons  
21 for overturning such action.

22 “(c) USE OF SELF-DETERMINATION GRANTS  
23 FUNDS.—Funds for self-determination grants under sec-  
24 tion 103(a)(2) of the Indian Self-Determination and Edu-  
25 cation Assistance Act shall not be used for providing tech-

1 nical assistance and training in the field of education by  
2 the Bureau unless such services are provided in accord-  
3 ance with a plan, agreed to by the tribe or tribes affected  
4 and the Bureau, under which control of education pro-  
5 grams is intended to be transferred to such tribe or tribes  
6 within a specific period of time negotiated under such  
7 agreement. The Secretary may approve applications for  
8 funding tribal divisions of education and development of  
9 tribal codes of education from funds appropriated pursu-  
10 ant to section 104(a) of such Act.

11 “(d) TECHNICAL ASSISTANCE AND TRAINING.—In  
12 the exercise of its authority under this section, a local  
13 school board may request technical assistance and training  
14 from the Secretary, and the Secretary shall, to the great-  
15 est extent possible, provide such services, and make appro-  
16 priate provisions in the budget of the Office for such serv-  
17 ices.

18 “(e) SUMMER PROGRAM OF ACADEMIC AND SUPPORT  
19 SERVICES.—

20 “(1) IN GENERAL.—A financial plan under sub-  
21 section (b) for a school may include, at the discre-  
22 tion of the local administrator and the school board  
23 of such school, a provision for a summer program of  
24 academic and support services for students of the  
25 school. Any such program may include activities re-

1       lated to the prevention of alcohol and substance  
2       abuse. The Assistant Secretary for Indian Affairs  
3       shall provide for the utilization of any such school  
4       facility during any summer in which such utilization  
5       is requested.

6               “(2) USE OF OTHER FUNDS.—Notwithstanding  
7       any other provision of law, funds authorized under  
8       the Act of April 16, 1934, and this Act may be used  
9       to augment the services provided in each summer  
10      program at the option, and under the control, of the  
11      tribe or Indian controlled school receiving such  
12      funds.

13              “(3) TECHNICAL ASSISTANCE AND PROGRAM  
14      COORDINATION.—The Assistant Secretary for Indian  
15      Affairs, acting through the Director of the Office,  
16      shall provide technical assistance and coordination  
17      for any program described in paragraph (1) and  
18      shall, to the extent possible, encourage the coordina-  
19      tion of such programs with any other summer pro-  
20      grams that might benefit Indian youth, regardless of  
21      the funding source or administrative entity of any  
22      such program.

23              “(f) COOPERATIVE AGREEMENTS.—

24              “(1) IN GENERAL.—From funds allotted to a  
25      Bureau school under section 1127, the Secretary



1 shall, if specifically requested by the tribal governing  
2 body (as defined in section 1141), implement any co-  
3 operative agreement entered into between the tribe,  
4 the Bureau school board, and the local public school  
5 district which meets the requirements of paragraph  
6 (2) and involves the school. The tribe, the Bureau  
7 school board, and the local public school district  
8 shall determine the terms of the agreement. Such  
9 agreement may encompass coordination of all or any  
10 part of the following:

11 “(A) Academic program and curriculum,  
12 unless the Bureau school is currently accredited  
13 by a State or regional accrediting entity and  
14 would not continue to be so accredited.

15 “(B) Support services, including procure-  
16 ment and facilities maintenance.

17 “(C) Transportation.

18 “(2) EQUAL BENEFIT AND BURDEN.—Each  
19 agreement entered into pursuant to the authority  
20 provided in paragraph (1) shall confer a benefit  
21 upon the Bureau school commensurate with the bur-  
22 den assumed, though this requirement shall not be  
23 construed so as to require equal expenditures or an  
24 exchange of similar services.

1       “(g) PRODUCT OR RESULT OF STUDENT  
 2 PROJECTS.—Notwithstanding any other provision of law,  
 3 where there is agreement on action between the super-  
 4 intendent and the school board of a Bureau funded school,  
 5 the product or result of a project conducted in whole or  
 6 in major part by a student may be given to that student  
 7 upon the completion of such project.

8       “(h) NOT CONSIDERED FEDERAL FUNDS FOR  
 9 MATCHING REQUIREMENTS.—Notwithstanding any other  
 10 provision of law, funds received by a Bureau funded school  
 11 under this title shall not be considered Federal funds for  
 12 the purposes of meeting a matching funds requirement for  
 13 any Federal program.

14   **“SEC. 1131. POLICY FOR INDIAN CONTROL OF INDIAN EDU-**  
 15                   **CATION.**

16       “(a) FACILITATION OF INDIAN CONTROL.—It shall  
 17 be the policy of the Secretary and the Bureau, in carrying  
 18 out the functions of the Bureau, to facilitate tribal control  
 19 of Indian affairs in all matters relating to education.

20       “(b) CONSULTATION WITH TRIBES.—

21               “(1) IN GENERAL.—All actions under this Act  
 22 shall be done with active consultation with tribes.

23               “(2) REQUIREMENTS.—The consultation re-  
 24 quired under paragraph (1) means a process involv-  
 25 ing the open discussion and joint deliberation of all

1 options with respect to potential issues or changes  
2 between the Bureau and all interested parties. Dur-  
3 ing such discussions and joint deliberations, inter-  
4 ested parties (including tribes and school officials)  
5 shall be given an opportunity to present issues in-  
6 cluding proposals regarding changes in current prac-  
7 tices or programs which will be considered for future  
8 action by the Bureau. All interested parties shall be  
9 given an opportunity to participate and discuss the  
10 options presented or to present alternatives, with the  
11 views and concerns of the interested parties given  
12 effect unless the Secretary determines, from infor-  
13 mation available from or presented by the interested  
14 parties during one or more of the discussions and  
15 deliberations, that there is a substantial reason for  
16 another course of action. The Secretary shall submit  
17 to any Member of Congress, within 18 days of the  
18 receipt of a written request by such Member, a writ-  
19 ten explanation of any decision made by the Sec-  
20 retary which is not consistent with the views of the  
21 interested parties.

22 **“SEC. 1132. INDIAN EDUCATION PERSONNEL.**

23 “(a) IN GENERAL.—Chapter 51, subchapter III of  
24 chapter 53, and chapter 63 of title 5, United States Code,  
25 relating to classification, pay and leave, respectively, and

1 the sections of such title relating to the appointment, pro-  
 2 motion, hours of work, and removal of civil service employ-  
 3 ees, shall not apply to educators or to education positions  
 4 (as defined in subsection (p)).

5 “(b) REGULATIONS.—Not later than 60 days after  
 6 the date of the enactment of the Public Education Rein-  
 7 vestment, Reinvention, and Responsibility Act (Three  
 8 R’s), the Secretary shall prescribe regulations to carry out  
 9 this section. Such regulations shall include—

- 10 “(1) the establishment of education positions;
- 11 “(2) the establishment of qualifications for edu-  
 12 cators and education personnel;
- 13 “(3) the fixing of basic compensation for edu-  
 14 cators and education positions;
- 15 “(4) the appointment of educators;
- 16 “(5) the discharge of educators;
- 17 “(6) the entitlement of educators to compensa-  
 18 tion;
- 19 “(7) the payment of compensation to educators;
- 20 “(8) the conditions of employment of educators;
- 21 “(9) the leave system for educators;
- 22 “(10) the annual leave and sick leave for edu-  
 23 cators; and
- 24 “(11) such matters as may be appropriate.
- 25 “(c) QUALIFICATIONS OF EDUCATORS.—

1           “(1) REQUIREMENTS.—In prescribing regula-  
2           tions to govern the qualifications of educators, the  
3           Secretary shall require—

4                   “(A)(i) that lists of qualified and inter-  
5                   viewed applicants for education positions be  
6                   maintained in each agency and area office of  
7                   the Bureau from among individuals who have  
8                   applied at the agency or area level for an edu-  
9                   cation position or who have applied at the na-  
10                  tional level and have indicated in such applica-  
11                  tion an interest in working in certain areas or  
12                  agencies; and

13                   “(ii) that a list of qualified and interviewed  
14                   applicants for education positions be main-  
15                   tained in the Office from among individuals  
16                   who have applied at the national level for an  
17                   education position and who have expressed in-  
18                   terest in working in an education position any-  
19                   where in the United States;

20                   “(B) that a local school board shall have  
21                   the authority to waive on a case-by-case basis,  
22                   any formal education or degree qualifications  
23                   established by regulation pursuant to subsection  
24                   (b)(2), in order for a tribal member to be hired  
25                   in an education position to teach courses on

1 tribal culture and language and that subject to  
2 subsection (e)(2), a determination by a school  
3 board that such a person be hired shall be insti-  
4 tuted supervisor; and

5 “(C) that it shall not be a prerequisite to  
6 the employment of an individual in an edu-  
7 cation position at the local level that such indi-  
8 vidual’s name appear on the national list main-  
9 tained pursuant to subparagraph (A)(ii) or that  
10 such individual has applied at the national level  
11 for an education position.

12 “(2) EXCEPTION FOR CERTAIN TEMPORARY EM-  
13 PLOYMENT.—The Secretary may authorize the tem-  
14 porary employment in an education position of an  
15 individual who has not met the certification stand-  
16 ards established pursuant to regulations, if the Sec-  
17 retary determines that failure to do so would result  
18 in that position remaining vacant.

19 “(d) HIRING OF EDUCATORS.—

20 “(1) REQUIREMENTS.—In prescribing regula-  
21 tions to govern the appointment of educators, the  
22 Secretary shall require—

23 “(A)(i) that educators employed in a Bu-  
24 reau operated school (other than the supervisor  
25 of the school) shall be hired by the supervisor

1 of the school. In cases where there are no quali-  
2 fied applicants available, such supervisor may  
3 consult the national list maintained pursuant to  
4 subsection (c)(1)(A)(ii);

5 “(ii) each school supervisor shall be hired  
6 by the education line officer of the agency office  
7 of the Bureau in which the school is located;

8 “(iii) educators employed in an agency of-  
9 fice of the Bureau shall be hired by the super-  
10 intendent for education of the agency office;  
11 and

12 “(iv) each education line officer and edu-  
13 cators employed in the Office of the Director of  
14 Indian Education Programs shall be hired by  
15 the Director;

16 “(B) that before an individual is employed  
17 in an education position in a school by the su-  
18 pervisor of a school (or with respect to the posi-  
19 tion of supervisor, by the appropriate agency  
20 education line officer), the local school board  
21 for the school shall be consulted. A determina-  
22 tion by such school board that such individual  
23 should or should not be so employed shall be in-  
24 stituted by the supervisor (or with respect to

1 the position of supervisor, by the agency super-  
2 intendent for education);

3 “(C) that before an individual may be em-  
4 ployed in an education position at the agency  
5 level, the appropriate agency school board shall  
6 be consulted, and that a determination by such  
7 school board that such individual should or  
8 should not be employed shall be instituted by  
9 the agency superintendent for education; and

10 “(D) that before an individual may be em-  
11 ployed in an education position in the Office of  
12 the Director (other than the position of Direc-  
13 tor), the national school boards representing all  
14 Bureau schools shall be consulted.

15 “(2) INFORMATION REGARDING APPLICATION  
16 AT NATIONAL LEVEL.—Any individual who applies  
17 at the local level for an education position shall state  
18 on such individual’s application whether or not such  
19 individual has applied at the national level for an  
20 education position in the Bureau. If such individual  
21 is employed at the local level, such individual’s name  
22 shall be immediately forwarded to the Secretary,  
23 who shall, as soon as practicable but in no event in  
24 more than 30 days, ascertain the accuracy of the  
25 statement made by such individual pursuant to the



1 first sentence of this paragraph. Notwithstanding  
2 subsection (e), if the individual's statement is found  
3 to have been false, such individual, at the Sec-  
4 retary's discretion, may be disciplined or discharged.  
5 If the individual has applied at the national level for  
6 an education position in the Bureau, the appoint-  
7 ment of such individual at the local level shall be  
8 conditional for a period of 90 days, during which pe-  
9 riod the Secretary may appoint a more qualified in-  
10 dividual (as determined by the Secretary) from the  
11 list maintained at the national level pursuant to sub-  
12 section (c)(1)(A)(ii) to the position to which such in-  
13 dividual was appointed.

14 “(3) STATUTORY CONSTRUCTION.—Except as  
15 expressly provided, nothing in this section shall be  
16 construed as conferring upon local school boards au-  
17 thority over, or control of, educators at Bureau  
18 funded schools or the authority to issue management  
19 decisions.

20 “(e) DISCHARGE AND CONDITIONS OF EMPLOYMENT  
21 OF EDUCATORS.—

22 “(1) REGULATIONS.—In prescribing regulations  
23 to govern the discharge and conditions of employ-  
24 ment of educators, the Secretary shall require—

1           “(A) that procedures be established for the  
2           rapid and equitable resolution of grievances of  
3           educators;

4           “(B) that no educator may be discharged  
5           without notice of the reasons therefore and op-  
6           portunity for a hearing under procedures that  
7           comport with the requirements of due process;  
8           and

9           “(C) that educators employed in Bureau  
10          schools be notified 30 days prior to the end of  
11          the school year whether their employment con-  
12          tract will be renewed for the following year.

13          “(2) PROCEDURES FOR DISCHARGE.—The su-  
14          pervisor of a Bureau school may discharge (subject  
15          to procedures established under paragraph (1)(B))  
16          for cause (as determined under regulations pre-  
17          scribed by the Secretary) any educator employed in  
18          such school. Upon giving notice of proposed dis-  
19          charge to an educator, the supervisor involved shall  
20          immediately notify the local school board for the  
21          school of such action. A determination by the local  
22          school board that such educator shall not be dis-  
23          charged shall be followed by the supervisor. The su-  
24          pervisor shall have the right to appeal such action  
25          to the education line officer of the appropriate agen-

1 cy office of the Bureau. Upon such an appeal, the  
2 agency education line officer may, for good cause  
3 and in writing to the local school board, overturn the  
4 determination of the local school board with respect  
5 to the employment of such individual.

6 “(3) RECOMMENDATIONS OF SCHOOL BOARDS  
7 FOR DISCHARGE.—Each local school board for a Bu-  
8 reau school shall have the right—

9 “(A) to recommend to the supervisor of  
10 such school that an educator employed in the  
11 school be discharged; and

12 “(B) to recommend to the education line  
13 officer of the appropriate agency office of the  
14 Bureau and to the Director of the Office, that  
15 the supervisor of the school be discharged.

16 “(f) APPLICABILITY OF INDIAN PREFERENCE  
17 LAWS.—

18 “(1) IN GENERAL.—Notwithstanding any provi-  
19 sion of the Indian preference laws, such laws shall  
20 not apply in the case of any personnel action under  
21 this section respecting an applicant or employee not  
22 entitled to Indian preference if each tribal organiza-  
23 tion concerned grants a written waiver of the appli-  
24 cation of such laws with respect to such personnel  
25 action and states that such waiver is necessary. This

1 paragraph shall not relieve the Bureau's responsi-  
2 bility to issue timely and adequate announcements  
3 and advertisements concerning any such personnel  
4 action if such action is intended to fill a vacancy (no  
5 matter how such vacancy is created).

6 “(2) TRIBAL ORGANIZATION DEFINED.—For  
7 purposes of this subsection, the term ‘tribal organi-  
8 zation’ means—

9 “(A) the recognized governing body of any  
10 Indian tribe, band, nation, pueblo, or other or-  
11 ganized community, including a Native village  
12 (as defined in section 3(c) of the Alaska Native  
13 Claims Settlement Act); or

14 “(B) in connection with any personnel ac-  
15 tion referred to in this subsection, any local  
16 school board as defined in section 1141 which  
17 has been delegated by such governing body the  
18 authority to grant a waiver under this sub-  
19 section with respect to personnel action.

20 “(3) INDIAN PREFERENCE LAW DEFINED.—The  
21 term ‘Indian preference laws’ means section 12 of  
22 the Act of June 18, 1934 or any other provision of  
23 law granting a preference to Indians in promotions  
24 and other personnel actions. Such term shall not in-

1       clude section 7(b) of the Indian Self-Determination  
2       and Education Assistance Act.

3       “(g) COMPENSATION OR ANNUAL SALARY.—

4               “(1) IN GENERAL.—(A) Except as otherwise  
5       provided in this section, the Secretary shall fix the  
6       basic compensation for educators and education po-  
7       sitions at rates in effect under the General Schedule  
8       for individuals with comparable qualifications, and  
9       holding comparable positions, to whom chapter 51 of  
10      title 5, United States Code, is applicable or on the  
11      basis of the Federal Wage System schedule in effect  
12      for the locality, and for the comparable positions,  
13      the rates of compensation in effect for the senior ex-  
14      ecutive service.

15              “(B) The Secretary shall establish the rate of  
16      basic compensation, or annual salary rates, for the  
17      positions of teachers and counselors (including dor-  
18      mitory counselors and home-living counselors) at the  
19      rates of basic compensation applicable (on the date  
20      of the enactment of the Public Education Reinvest-  
21      ment, Reinvention, and Responsibility Act (Three  
22      R’s) and thereafter) to comparable positions in the  
23      overseas schools under the Defense Department  
24      Overseas Teachers Pay Act. The Secretary shall  
25      allow the local school boards authority to implement

1       only the aspects of the Defense Department Over-  
2       seas Teacher pay provisions that are considered es-  
3       sential for recruitment and retention. Implementa-  
4       tion of such provisions shall not be construed to re-  
5       quire the implementation of the Act in its entirety.

6           “(C)(i) Beginning with the fiscal year following  
7       the date of the enactment of the Public Education  
8       Reinvestment, Reinvention, and Responsibility Act  
9       (Three R’s), each school board may set the rate of  
10      compensation or annual salary rate for teachers and  
11      counselors (including academic counselors) who are  
12      new hires at the school and who have not worked at  
13      the school on the date of implementation of this pro-  
14      vision, at rates consistent with the rates paid for in-  
15      dividuals in the same positions, with the same ten-  
16      ure and training, in any other school within whose  
17      boundaries the Bureau school lies. In instances  
18      where the adoption of such rates cause a reduction  
19      in the payment of compensation from that which  
20      was in effect for the fiscal year following the date  
21      of the enactment of the Public Education Reinvest-  
22      ment, Reinvention, and Responsibility Act (Three  
23      R’s), the new rate may be applied to the compensa-  
24      tion of employees of the school who worked at the  
25      school on of the date of the enactment of that Act

1 by applying those rates to each contract renewal  
2 such that the reduction takes effect in three equal  
3 installments. Where adoption of such rates lead to  
4 an increase in the payment of compensation from  
5 that which was in effect for the fiscal year following  
6 the date of the enactment of the Public Education  
7 Reinvestment, Reinvention, and Responsibility Act  
8 (Three R's), the school board may make such rates  
9 applicable at the next contract renewal such that  
10 either—

11 “(I) the increase occurs in its entirety; or

12 “(II) the increase is applied in three equal  
13 installments.

14 “(ii) The establishment of rates of basic com-  
15 pensation and annual salary rates under subpara-  
16 graphs (B) and (C) shall not preclude the use of  
17 regulations and procedures used by the Bureau prior  
18 to April 28, 1988, in making determinations regard-  
19 ing promotions and advancements through levels of  
20 pay that are based on the merit, education, experi-  
21 ence, or tenure of the educator.

22 “(D) The establishment of rates of basic com-  
23 pensation and annual salary rates under subpara-  
24 graphs (B) and (C) shall not affect the continued  
25 employment or compensation of an educator who

1 was employed in an education position on October  
2 31, 1979, and who did not make an election under  
3 subsection (p) as in effect on January 1, 1990.

4 “(2) POST-DIFFERENTIAL RATES.—(A) The  
5 Secretary may pay a post-differential rate not to ex-  
6 ceed 25 percent of the rate of basic compensation,  
7 on the basis of conditions of environment or work  
8 which warrant additional pay as a recruitment and  
9 retention incentive.

10 “(B)(i) Upon the request of the supervisor and  
11 the local school board of a Bureau school, the Sec-  
12 retary shall grant the supervisor of the school au-  
13 thorization to provide one or more post-differentials  
14 under subparagraph (A) unless the Secretary deter-  
15 mines for clear and convincing reasons (and advises  
16 the board in writing of those reasons) that certain  
17 of the requested post-differentials should be dis-  
18 approved or decreased because there is no disparity  
19 of compensation for the involved employees or posi-  
20 tions in the Bureau school, as compared with the  
21 nearest public school, that is either—

22 “(I) at least 5 percent; or

23 “(II) less than 5 percent and affects the  
24 recruitment or retention of employees at the  
25 school.



1           “(ii) A request under clause (i) shall be deemed  
2           granted at the end of the 60th day after the request  
3           is received in the Central Office of the Bureau un-  
4           less before that time the request is approved, ap-  
5           proved with modification, or disapproved by the Sec-  
6           retary.

7           “(iii) The Secretary or the supervisor of a Bu-  
8           reau school may discontinue or decrease a post-dif-  
9           ferential authorized under this subparagraph at the  
10          beginning of a school year if—

11                 “(I) the local school board requests that  
12                 such differential be discontinued or decreased;  
13                 or

14                 “(II) the Secretary or the supervisor deter-  
15                 mines for clear and convincing reasons (and ad-  
16                 vises the board in writing of those reasons) that  
17                 there is no disparity of compensation that  
18                 would affect the recruitment or retention of em-  
19                 ployees at the school after the differential is  
20                 discontinued or decreased.

21           “(iv) On or before February 1 of each year, the  
22           Secretary shall submit to Congress a report describ-  
23           ing the requests and grants of authority under this  
24           subparagraph during the previous year and listing

1       the positions contracted under those grants of au-  
2       thority.

3       “(h) LIQUIDATION OF REMAINING LEAVE UPON  
4 TERMINATION.—Upon termination of employment with  
5 the Bureau, any annual leave remaining to the credit of  
6 an individual within the purview of this section shall be  
7 liquidated in accordance with sections 5551(a) and 6306  
8 of title 5, United States Code, except that leave earned  
9 or accrued under regulations prescribed pursuant to sub-  
10 section (b)(10) of this section shall not be so liquidated.

11       “(i) TRANSFER OF REMAINING SICK LEAVE UPON  
12 TRANSFER, PROMOTION, OR REEMPLOYMENT.—In the  
13 case of any educator who is transferred, promoted, or re-  
14 appointed, without break in service, to a position in the  
15 Federal Government under a different leave system, any  
16 remaining leave to the credit of such person earned or  
17 credited under the regulations prescribed pursuant to sub-  
18 section (b)(10) shall be transferred to such person’s credit  
19 in the employing agency on an adjusted basis in accord-  
20 ance with regulations which shall be prescribed by the Of-  
21 fice of Personnel Management.

22       “(j) INELIGIBILITY FOR EMPLOYMENT OF VOLUN-  
23 TARILY TERMINATED EDUCATORS.—An educator who vol-  
24 untarily terminates employment with the Bureau before  
25 the expiration of the existing employment contract be-

1 tween such educator and the Bureau shall not be eligible  
2 to be employed in another education position in the Bu-  
3 reau during the remainder of the term of such contract.

4 “(k) DUAL COMPENSATION.—In the case of any edu-  
5 cator employed in an education position described in sub-  
6 section (l)(1)(A) who—

7 “(1) is employed at the close of a school year;

8 “(2) agrees in writing to serve in such position  
9 for the next school year; and

10 “(3) is employed in another position during the  
11 recess period immediately preceding such next school  
12 year, or during such recess period receives additional  
13 compensation referred to in section 5533 of title 5,  
14 United States Code, relating to dual compensation,  
15 shall not apply to such educator by reason of any such  
16 employment during a recess period for any receipt of addi-  
17 tional compensation.

18 “(l) VOLUNTARY SERVICES.—Notwithstanding sec-  
19 tion 1342 of title 31, United States Code, the Secretary  
20 may, subject to the approval of the local school board con-  
21 cerned, accept voluntary services on behalf of Bureau  
22 schools. Nothing in this title shall be construed to require  
23 Federal employees to work without compensation or to  
24 allow the use of volunteer services to displace or replace  
25 Federal employees. An individual providing volunteer serv-

1 ices under this section is a Federal employee only for pur-  
2 poses of chapter 81 of title 5, United States Code, and  
3 chapter 171 of title 28, United States Code.

4 “(m) PRORATION OF PAY.—

5 “(1) ELECTION OF EMPLOYEE.—Notwith-  
6 standing any other provision of law, including laws  
7 relating to dual compensation, the Secretary, at the  
8 election of the employee, shall prorate the salary of  
9 an employee employed in an education position for  
10 the academic school year over the entire 12-month  
11 period. Each educator employed for the academic  
12 school year shall annually elect to be paid on a 12-  
13 month basis or for those months while school is in  
14 session. No educator shall suffer a loss of pay or  
15 benefits, including benefits under unemployment or  
16 other Federal or federally assisted programs, be-  
17 cause of such election.

18 “(2) CHANGE OF ELECTION.—During the  
19 course of such year the employee may change elec-  
20 tion once.

21 “(3) LUMP SUM PAYMENT.—That portion of  
22 the employee’s pay which would be paid between  
23 academic school years may be paid in a lump sum  
24 at the election of the employee.

1           “(4) DEFINITIONS.—For purposes of this sub-  
2           section, the terms ‘educator’ and ‘education position’  
3           have the meanings contained in paragraphs (1) and  
4           (2) of subsection (o). This subsection applies to  
5           those individuals employed under the provisions of  
6           section 1132 of this title or title 5, United States  
7           Code.

8           “(n) EXTRACURRICULAR ACTIVITIES.—

9           “(1) STIPEND.—Notwithstanding any other  
10          provision of law, the Secretary may provide, for each  
11          Bureau area, a stipend in lieu of overtime premium  
12          pay or compensatory time off. Any employee of the  
13          Bureau who performs additional activities to provide  
14          services to students or otherwise support the school’s  
15          academic and social programs may elect to be com-  
16          pensated for all such work on the basis of the sti-  
17          pend. Such stipend shall be paid as a supplement to  
18          the employee’s base pay.

19          “(2) ELECTION NOT TO RECEIVE STIPEND.—If  
20          an employee elects not to be compensated through  
21          the stipend established by this subsection, the appro-  
22          priate provisions of title 5, United States Code, shall  
23          apply.

24          “(3) APPLICABILITY OF SUBSECTION.—This  
25          subsection applies to all Bureau employees, whether

1 employed under section 1132 of this title or title 5,  
2 United States Code.

3 “(o) DEFINITIONS.—For the purpose of this  
4 section—

5 “(1) EDUCATION POSITION.—The term ‘edu-  
6 cation position’ means a position in the Bureau the  
7 duties and responsibilities of which—

8 “(A) are performed on a school-year basis  
9 principally in a Bureau school and involve—

10 “(i) classroom or other instruction or  
11 the supervision or direction of classroom or  
12 other instruction;

13 “(ii) any activity (other than teach-  
14 ing) which requires academic credits in  
15 educational theory and practice equal to  
16 the academic credits in educational theory  
17 and practice required for a bachelor’s de-  
18 gree in education from an accredited insti-  
19 tution of higher education;

20 “(iii) any activity in or related to the  
21 field of education notwithstanding that  
22 academic credits in educational theory and  
23 practice are not a formal requirement for  
24 the conduct of such activity; or

1 “(iv) support services at, or associated  
2 with, the site of the school; or

3 “(B) are performed at the agency level of  
4 the Bureau and involve the implementation of  
5 education-related programs other than the posi-  
6 tion for agency superintendent for education.

7 “(2) EDUCATOR.—The term ‘educator’ means  
8 an individual whose services are required, or who is  
9 employed, in an education position.

10 “(p) COVERED INDIVIDUALS; ELECTION.—This sec-  
11 tion shall apply with respect to any educator hired after  
12 November 1, 1979 (and to any educator who elected for  
13 coverage under that provision after November 1, 1979),  
14 and to the position in which such individual is employed.  
15 The enactment of this section shall not affect the contin-  
16 ued employment of an individual employed on October 31,  
17 1979, in an education position, or such person’s right to  
18 receive the compensation attached to such position.

19 **“SEC. 1133. COMPUTERIZED MANAGEMENT INFORMATION**  
20 **SYSTEM.**

21 “(a) ESTABLISHMENT OF SYSTEM.—Not later than  
22 July 1, 2001, the Secretary shall establish within the Of-  
23 fice, a computerized management information system,  
24 which shall provide processing and information to the Of-

1 fice. The information provided shall include information  
2 regarding—

3 “(1) student enrollment;

4 “(2) curriculum;

5 “(3) staffing;

6 “(4) facilities;

7 “(5) community demographics;

8 “(6) student assessment information;

9 “(7) information on the administrative and pro-  
10 gram costs attributable to each Bureau program, di-  
11 vided into discreet elements;

12 “(8) relevant reports;

13 “(9) personnel records;

14 “(10) finance and payroll; and

15 “(11) such other items as the Secretary deems  
16 appropriate.

17 “(b) IMPLEMENTATION OF SYSTEM.—Not later than  
18 July 1, 2002, the Secretary shall complete implementation  
19 of such a system at each field office and Bureau funded  
20 school.

21 **“SEC. 1134. UNIFORM EDUCATION PROCEDURES AND PRAC-**  
22 **TICES.**

23 “The Secretary shall cause the various divisions of  
24 the Bureau to formulate uniform procedures and practices  
25 with respect to such concerns of those divisions as relate



1 to education, and shall report such practices and proce-  
2 dures to the Congress.

3 **“SEC. 1135. RECRUITMENT OF INDIAN EDUCATORS.**

4 “The Secretary shall institute a policy for the recruit-  
5 ment of qualified Indian educators and a detailed plan to  
6 promote employees from within the Bureau. Such plan  
7 shall include opportunities for acquiring work experience  
8 prior to actual work assignment.

9 **“SEC. 1136. BIENNIAL REPORT; AUDITS.**

10 “(a) BIENNIAL REPORTS.—The Secretary shall sub-  
11 mit to each appropriate committee of Congress, all Bureau  
12 funded schools, and the tribal governing bodies of such  
13 schools, a detailed biennial report on the state of education  
14 within the Bureau and any problems encountered in In-  
15 dian education during the 2-year period covered by the  
16 report. Such report shall contain suggestions for the im-  
17 provement of the Bureau educational system and for in-  
18 creasing tribal or local Indian control of such system. Such  
19 report shall also include the current status of tribally con-  
20 trolled community colleges. The annual budget submission  
21 for the Bureau’s education programs shall include—

22 “(1) information on the funds provided to pre-  
23 viously private schools under section 208 of the In-  
24 dian Self-Determination and Education Assistance

1 Act, and recommendations with respect to the future  
2 use of such funds;

3 “(2) the needs and costs of operations and  
4 maintenance of tribally controlled community col-  
5 leges eligible for assistance under the Tribally Con-  
6 trolled Community College Assistance Act of 1978  
7 and recommendations with respect to meeting such  
8 needs and costs; and

9 “(3) the plans required by sections 1121 (g),  
10 1122(c), and 1125(b).

11 “(b) FINANCIAL AND COMPLIANCE AUDITS.—The  
12 Inspector General of the Department of the Interior shall  
13 establish a system to ensure that financial and compliance  
14 audits are conducted of each Bureau operated school at  
15 least once in every 3 years. Audits of Bureau schools shall  
16 be based upon the extent to which such school has com-  
17 plied with its local financial plan under section 1130.

18 **“SEC. 1137. RIGHTS OF INDIAN STUDENTS.**

19 “The Secretary shall prescribe such rules and regula-  
20 tions as are necessary to ensure the constitutional and civil  
21 rights of Indian students attending Bureau funded  
22 schools, including such students’ right to privacy under  
23 the laws of the United States, such students’ right to free-  
24 dom of religion and expression, and such students’ right

1 to due process in connection with disciplinary actions, sus-  
2 pensions, and expulsions.

3 **“SEC. 1138. REGULATIONS.**

4       “(a) IN GENERAL.—The Secretary is authorized to  
5 issue only such regulations as are necessary to ensure  
6 compliance with the specific provision of this Act. The Sec-  
7 retary shall publish proposed regulations in the Federal  
8 Register, shall provide a period of not less than 90 days  
9 for public comment thereon, and shall place in parentheses  
10 after each regulatory section the citation to any statutory  
11 provision providing authority to promulgate such regu-  
12 latory provision.

13       “(b) MISCELLANEOUS.—

14               “(1) CONSTRUCTION.—The provisions of this  
15 Act shall supersede any conflicting provisions of law  
16 (including any conflicting regulations) in effect on  
17 the day before the date of the enactment of this Act  
18 and the Secretary is authorized to repeal any regula-  
19 tion inconsistent with the provisions of this Act.

20               “(2) LEGAL AUTHORITY TO BE STATED.—Reg-  
21 ulations issued to implement this Act shall contain,  
22 immediately following each substantive provision of  
23 such regulations, citations to the particular section  
24 or sections of statutory law or other legal authority  
25 upon which provision is based.

1 **“SEC. 1138A. REGIONAL MEETINGS AND NEGOTIATED**  
2 **RULEMAKING.**

3 “(a) MEETINGS.—

4 “(1) IN GENERAL.—The Secretary shall obtain  
5 tribal involvement in the development of proposed  
6 regulations under this part and the Tribally Con-  
7 trolled Schools Act of 1988. The Secretary shall ob-  
8 tain the advice of and recommendations from rep-  
9 resentatives of Indian tribes with Bureau-funded  
10 schools on their reservations, Indian tribes whose  
11 children attend Bureau funded off-reservation board-  
12 ing schools, school boards, administrators or employ-  
13 ees of Bureau-funded schools, and parents and  
14 teachers of students enrolled in Bureau-funded  
15 schools.

16 “(2) ISSUES.—The Secretary shall provide for a  
17 comprehensive discussion and exchange of informa-  
18 tion concerning the implementation of this part and  
19 the Tribally Controlled Schools Act of 1988 through  
20 such mechanisms as regional meetings and electronic  
21 exchanges of information. The Secretary shall take  
22 into account the information received through such  
23 mechanisms in the development of proposed regula-  
24 tions and shall publish a summary of such informa-  
25 tion in the Federal Register together with such pro-  
26 posed regulations.

1 “(b) DRAFT REGULATIONS.—

2 “(1) IN GENERAL.—After obtaining the advice  
3 and recommendations described in subsection (a)(1)  
4 and before publishing proposed regulations in the  
5 Federal Register, the Secretary shall prepare draft  
6 regulations implementing this part and the Tribally  
7 Controlled Schools Act of 1988 and shall submit  
8 such regulations to a negotiated rulemaking process.  
9 Participants in the negotiations process shall be cho-  
10 sen by the Secretary from individuals nominated by  
11 the entities described in subsection (a)(1). To the  
12 maximum extent possible, the Secretary shall ensure  
13 that the tribal representative membership chosen  
14 pursuant to the preceding sentence reflects the pro-  
15 portionate share of students from tribes served by  
16 the Bureau-funded school system. The negotiation  
17 process shall be conducted in a timely manner in  
18 order that the final regulations may issued by the  
19 Secretary no later than 18 months after the enact-  
20 ment of this section.

21 “(2) NOTIFICATION TO CONGRESS.—If draft  
22 regulations implementing this part and the Tribally  
23 Controlled Schools Act of 1988 are not issued in  
24 final form by the deadline provided in paragraph  
25 (1), the Secretary shall notify the appropriate com-

mittees of Congress of which draft regulations were not issued in final form by the deadline and the reason such final regulations were not issued.

“(3) EXPANSION OF NEGOTIATED RULE-  
MAKING.—All regulations pertaining to this part and the Tribally Controlled Schools Act of 1988 that are promulgated after the date of the enactment of this subsection shall be subject to a negotiated rulemaking (including the selection of the regulations to be negotiated), unless the Secretary determines that applying such a requirement with respect to given regulations is impracticable, unnecessary, or contrary to the public interest (within the meaning of section 553(b)(3)(B) of title 5), and publishes the basis for such determination in the Federal Register at the same time as the proposed regulations in question are first published. All published proposed regulations shall conform to agreements resulting from such negotiated rulemaking unless the Secretary reopens the negotiated rulemaking process or provides a written explanation to the participants in that process why the Secretary has decided to depart from such agreements. Such negotiated rulemaking shall be conducted in accordance with the provisions of subsection (a), and the Secretary shall ensure

1       that a clear and reliable record of agreements  
2       reached during the negotiation process is main-  
3       tained.

4       “(c) APPLICABILITY OF FEDERAL ADVISORY COM-  
5       MITTEE ACT.—The Federal Advisory Committee Act shall  
6       apply to activities carried out under this section.

7       **“SEC. 1139. EARLY CHILDHOOD DEVELOPMENT PROGRAM.**

8       “(a) IN GENERAL.—The Secretary shall provide  
9       grants to tribes, tribal organizations, and consortia of  
10      tribes and tribal organizations to fund early childhood de-  
11      velopment programs that are operated by such tribes, or-  
12      ganizations, or consortia.

13      “(b) AMOUNT OF GRANTS.—

14              “(1) IN GENERAL.—The total amount of the  
15      grants provided under subsection (a) with respect to  
16      each tribe, tribal organization, or consortium of  
17      tribes or tribal organizations for each fiscal year  
18      shall be equal to the amount which bears the same  
19      relationship to the total amount appropriated under  
20      the authority of subsection (g) for such fiscal year  
21      (less amounts provided under subsection (f)) as—

22                      “(A) the total number of children under 6  
23                      years of age who are members of—

24                              “(i) such tribe;

1 “(ii) the tribe that authorized such  
2 tribal organization; or

3 “(iii) any tribe that—

4 “(I) is a member of such consor-  
5 tium; or

6 “(II) authorizes any tribal orga-  
7 nization that is a member of such con-  
8 sortium; bears to

9 “(B) the total number of all children under  
10 6 years of age who are members of any tribe  
11 that—

12 “(i) is eligible to receive funds under  
13 subsection (a);

14 “(ii) is a member of a consortium that  
15 is eligible to receive such funds; or

16 “(iii) authorizes a tribal organization  
17 that is eligible to receive such funds.

18 “(2) LIMITATION.—No grant may be provided  
19 under subsection (a)—

20 “(A) to any tribe that has less than 500  
21 members;

22 “(B) to any tribal organization which is  
23 authorized—

24 “(i) by only one tribe that has less  
25 than 500 members; or



1                   “(ii) by one or more tribes that have  
2                   a combined total membership of less than  
3                   500 members; or

4                   “(C) to any consortium composed of tribes,  
5                   or tribal organizations authorized by tribes,  
6                   that have a combined total tribal membership of  
7                   less than 500 members.

8                   “(c) APPLICATION.—

9                   “(1) IN GENERAL.—A grant may be provided  
10                  under subsection (a) to a tribe, tribal organization,  
11                  or consortia of tribes and tribal organizations only  
12                  if the tribe, organization, or consortia submits to the  
13                  Secretary an application for the grant at such time  
14                  and in such form as the Secretary shall prescribe.

15                  “(2) CONTENTS.—Applications submitted under  
16                  paragraph (1) shall set forth the early childhood de-  
17                  velopment program that the applicant desires to op-  
18                  erate.

19                  “(d) REQUIREMENT OF PROGRAMS FUNDED.—The  
20                  early childhood development programs that are funded by  
21                  grants provided under subsection (a)—

22                  “(1) shall coordinate existing programs and  
23                  may provide services that meet identified needs of  
24                  parents and children under 6 years of age which are  
25                  not being met by existing programs, including—

1                   “(A) prenatal care;  
2                   “(B) nutrition education;  
3                   “(C) health education and screening;  
4                   “(D) family literacy services;  
5                   “(E) educational testing; and  
6                   “(F) other educational services;  
7           “(2) may include instruction in the language,  
8       art, and culture of the tribe; and  
9           “(3) shall provide for periodic assessment of the  
10     program.

11       “(e) COORDINATION OF FAMILY LITERACY PRO-  
12     GRAMS.—Family literacy programs operated under this  
13     section or other similar programs operated by the Bureau  
14     shall coordinate with family literacy programs for Indian  
15     children under part B of title I of the Elementary and  
16     Secondary Education Act of 1965 in order to avoid dupli-  
17     cation and to encourage the dissemination of information  
18     on quality family literacy programs serving Indians.

19       “(f) ADMINISTRATIVE COSTS.—The Secretary shall,  
20     out of funds appropriated under subsection (g), include  
21     in the grants provided under subsection (a) amounts for  
22     administrative costs incurred by the tribe, tribal organiza-  
23     tion, or consortium of tribes in establishing and maintain-  
24     ing the early childhood development program.

1       “(g) AUTHORIZATION OF APPROPRIATIONS.—For the  
2 purpose of carrying out the provisions of this section,  
3 there are authorized to be appropriated \$10,000,000 for  
4 fiscal year 2000 and such sums as may be necessary for  
5 each of the fiscal years 2001, 2002, 2003, and 2004.

6       **“SEC. 1140. TRIBAL DEPARTMENTS OR DIVISIONS OF EDU-**  
7                               **CATION.**

8       “(a) IN GENERAL.—Subject to the availability of ap-  
9 propriations, the Secretary shall provide grants and tech-  
10 nical assistance to tribes for the development and oper-  
11 ation of tribal departments of education for the purpose  
12 of planning and coordinating all educational programs of  
13 the tribe.

14       “(b) GRANTS.—Grants provided under this section  
15 shall—

16               “(1) be based on applications from the gov-  
17 erning body of the tribe;

18               “(2) reflect factors such as geographic and pop-  
19 ulation diversity;

20               “(3) facilitate tribal control in all matters relat-  
21 ing to the education of Indian children on Indian  
22 reservations (and on former Indian reservations in  
23 Oklahoma);

24               “(4) provide for the development of coordinated  
25 educational programs on Indian reservations (and on

1 former Indian reservations in Oklahoma) (including  
2 all preschool, elementary, secondary, and higher or  
3 vocational educational programs funded by tribal,  
4 Federal, or other sources) by encouraging tribal ad-  
5 ministrative support of all Bureau funded edu-  
6 cational programs as well as encouraging tribal co-  
7 operation and coordination with all educational pro-  
8 grams receiving financial support from State agen-  
9 cies, other Federal agencies, or private entities;

10 “(5) provide for the development and enforce-  
11 ment of tribal educational codes, including tribal  
12 educational policies and tribal standards applicable  
13 to curriculum, personnel, students, facilities, and  
14 support programs; and

15 “(6) otherwise comply with regulations for  
16 grants under section 103(a) of the Indian Self-De-  
17 termination and Educational Assistance Act that are  
18 in effect on the date that application for such grants  
19 are made.

20 “(c) PRIORITIES.—

21 “(1) IN GENERAL.—In making grants under  
22 this section, the Secretary shall give priority to any  
23 application that—

24 “(A) includes assurances from the majority  
25 of Bureau funded schools located within the

1 boundaries of the reservation of the applicant  
2 that the tribal department of education to be  
3 funded under this section will provide coordi-  
4 nating services and technical assistance to all of  
5 such schools, including the submission to each  
6 applicable agency of a unified application for  
7 funding for all of such schools which provides  
8 that—

9 “(i) no administrative costs other  
10 than those attributable to the individual  
11 programs of such schools will be associated  
12 with the unified application; and

13 “(ii) the distribution of all funds re-  
14 ceived under the unified application will be  
15 equal to the amount of funds provided by  
16 the applicable agency to which each of  
17 such schools is entitled under law;

18 “(B) includes assurances from the tribal  
19 governing body that the tribal department of  
20 education funded under this section will admin-  
21 ister all contracts or grants (except those cov-  
22 ered by the other provisions of this title and the  
23 Tribally Controlled Community College Assist-  
24 ance Act of 1978) for education programs ad-

1 ministered by the tribe and will coordinate all  
2 of the programs to the greatest extent possible;

3 “(C) includes assurances for the moni-  
4 toring and auditing by or through the tribal de-  
5 partment of education of all education pro-  
6 grams for which funds are provided by contract  
7 or grant to ensure that the programs meet the  
8 requirements of law; and

9 “(D) provides a plan and schedule for—

10 “(i) the assumption over the term of  
11 the grant by the tribal department of edu-  
12 cation of all assets and functions of the  
13 Bureau agency office associated with the  
14 tribe, insofar as those responsibilities re-  
15 late to education; and

16 “(ii) the termination by the Bureau of  
17 such operations and office at the time of  
18 such assumption,

19 except that when mutually agreeable between  
20 the tribal governing body and the Assistant  
21 Secretary, the period in which such assumption  
22 is to occur may be modified, reduced, or ex-  
23 tended after the initial year of the grant.

24 “(2) TIME PERIOD OF GRANT.—Subject to the  
25 availability of appropriated funds, grants provided

1 under this section shall be provided for a period of  
2 3 years and the grant may, if performance by the  
3 grantee is satisfactory to the Secretary, be renewed  
4 for additional 3-year terms.

5 “(d) TERMS, CONDITIONS, OR REQUIREMENTS.—The  
6 Secretary shall not impose any terms, conditions, or re-  
7 quirements on the provision of grants under this section  
8 that are not specified in this section.

9 “(e) AUTHORIZATION OF APPROPRIATIONS.—For the  
10 purpose of carrying out the provisions of this section,  
11 there are authorized to be appropriated \$2,000,000 for fis-  
12 cal year 2000 and such sums as may be necessary for each  
13 of the fiscal years 2001, 2002, 2003, and 2004.

14 **“SEC. 1141. DEFINITIONS.**

15 “For the purposes of this part, unless otherwise spec-  
16 ified:

17 “(1) AGENCY SCHOOL BOARD.—The term  
18 ‘agency school board’ means a body, the members of  
19 which are appointed by all of the school boards of  
20 the schools located within an agency, including  
21 schools operated under contract or grant, and the  
22 number of such members shall be determined by the  
23 Secretary in consultation with the affected tribes, ex-  
24 cept that, in agencies serving a single school, the  
25 school board of such school shall fulfill these duties,

1 and in agencies having schools or a school operated  
2 under contract or grant, one such member at least  
3 shall be from such a school.

4 “(2) BUREAU.—The term ‘Bureau’ means the  
5 Bureau of Indian Affairs of the Department of the  
6 Interior.

7 “(3) BUREAU FUNDED SCHOOL.—The term  
8 ‘Bureau funded school’ means—

9 “(A) a Bureau school;

10 “(B) a contract or grant school; or

11 “(C) a school for which assistance is pro-  
12 vided under the Tribally Controlled Schools Act  
13 of 1988.

14 “(4) BUREAU SCHOOL.—The term ‘Bureau  
15 school’ means a Bureau operated elementary or sec-  
16 ondary day or boarding school or a Bureau operated  
17 dormitory for students attending a school other than  
18 a Bureau school.

19 “(5) CONTRACT OR GRANT SCHOOL.—The term  
20 ‘contract or grant school’ means an elementary or  
21 secondary school or dormitory which receives finan-  
22 cial assistance for its operation under a contract,  
23 grant or agreement with the Bureau under section  
24 102, 103(a), or 208 of the Indian Self-Determina-



1       tion and Education Assistance Act, or under the  
2       Tribally Controlled Schools Act of 1988.

3           “(6) EDUCATION LINE OFFICER.—The term  
4       ‘education line officer’ means education personnel  
5       under the supervision of the Director, whether lo-  
6       cated in the central, area, or agency offices.

7           “(7) FINANCIAL PLAN.—The term ‘financial  
8       plan’ means a plan of services provided by each Bu-  
9       reau school.

10          “(8) INDIAN ORGANIZATION.—the term ‘Indian  
11       organization’ means any group, association, partner-  
12       ship, corporation, or other legal entity owned or con-  
13       trolled by a federally recognized Indian tribe or  
14       tribes, or a majority of whose members are members  
15       of federally recognized tribes.

16          “(9) LOCAL EDUCATIONAL AGENCY.—The term  
17       ‘local educational agency’ means a board of edu-  
18       cation or other legally constituted local school au-  
19       thority having administrative control and direction  
20       of free public education in a county, township, inde-  
21       pendent, or other school district located within a  
22       State, and includes any State agency which directly  
23       operates and maintains facilities for providing free  
24       public education.

1           “(10) LOCAL SCHOOL BOARD.—The term ‘local  
2       school board’, when used with respect to a Bureau  
3       school, means a body chosen in accordance with the  
4       laws of the tribe to be served or, in the absence of  
5       such laws, elected by the parents of the Indian chil-  
6       dren attending the school, except that in schools  
7       serving a substantial number of students from dif-  
8       ferent tribes, the members shall be appointed by the  
9       governing bodies of the tribes affected, and the num-  
10      ber of such members shall be determined by the Sec-  
11      retary in consultation with the affected tribes.

12           “(11) OFFICE.—The term ‘Office’ means the  
13      Office of Indian Education Programs within the Bu-  
14      reau.

15           “(12) SECRETARY.—The term ‘Secretary’  
16      means the Secretary of the Interior.

17           “(13) SUPERVISOR.—The term ‘supervisor’  
18      means the individual in the position of ultimate au-  
19      thority at a Bureau school.

20           “(14) TRIBAL GOVERNING BODY.—The term  
21      ‘tribal governing body’ means, with respect to any  
22      school, the tribal governing body, or tribal governing  
23      bodies, that represent at least 90 percent of the stu-  
24      dents served by such school.

1           “(15) **TRIBE.**—The term ‘tribe’ means any In-  
2       dian tribe, band, nation, or other organized group or  
3       community, including any Alaska Native village or  
4       regional or village corporation as defined in or estab-  
5       lished pursuant to the Alaska Native Claims Settle-  
6       ment Act, which is recognized as eligible for the spe-  
7       cial programs and services provided by the United  
8       States to Indians because of their status as Indi-  
9       ans.”.

10       (c) **TRIBALLY CONTROLLED SCHOOLS ACT OF**  
11   1988.—Sections 5202 through 5212 of Public Law 100–  
12   297 (25 U.S.C. 2501 et seq.) are amended to read as fol-  
13   lows:

14   **“SEC. 5202. FINDINGS.**

15       “Congress, after careful review of the Federal Gov-  
16   ernment’s historical and special legal relationship with,  
17   and resulting responsibilities to, Indians, finds that—

18           “(1) the Indian Self-Determination and Edu-  
19       cation Assistance Act, which was a product of the le-  
20       gitimate aspirations and a recognition of the inher-  
21       ent authority of Indian nations, was and is a crucial  
22       positive step towards tribal and community control;

23           “(2) the Bureau of Indian Affairs’ administra-  
24       tion and domination of the contracting process  
25       under such Act has not provided the full opportunity

1 to develop leadership skills crucial to the realization  
2 of self-government and has denied Indians an effective  
3 voice in the planning and implementation of  
4 programs for the benefit of Indians which are responsive  
5 to the true needs of Indian communities;

6 “(3) Indians will never surrender their desire to  
7 control their relationships both among themselves  
8 and with non-Indian governments, organizations,  
9 and persons;

10 “(4) true self-determination in any society of  
11 people is dependent upon an educational process  
12 which will ensure the development of qualified people  
13 to fulfill meaningful leadership roles;

14 “(5) the Federal administration of education  
15 for Indian children has not effected the desired level  
16 of educational achievement or created the diverse opportunities  
17 and personal satisfaction that education  
18 can and should provide;

19 “(6) true local control requires the least possible  
20 Federal interference; and

21 “(7) the time has come to enhance the concepts  
22 made manifest in the Indian Self-Determination and  
23 Education Assistance Act.

1   **“SEC. 5203. DECLARATION OF POLICY.**

2           “(a) RECOGNITION.—Congress recognizes the obliga-  
3   tion of the United States to respond to the strong expres-  
4   sion of the Indian people for self-determination by assur-  
5   ing maximum Indian participation in the direction of edu-  
6   cational services so as to render such services more re-  
7   sponsive to the needs and desires of those communities.

8           “(b) COMMITMENT.—Congress declares its commit-  
9   ment to the maintenance of the Federal Government’s  
10   unique and continuing trust relationship with and respon-  
11   sibility to the Indian people through the establishment of  
12   a meaningful Indian self-determination policy for edu-  
13   cation which will deter further perpetuation of Federal bu-  
14   reaucratic domination of programs.

15          “(c) NATIONAL GOAL.—Congress declares that a  
16   major national goal of the United States is to provide the  
17   resources, processes, and structure which will enable tribes  
18   and local communities to effect the quantity and quality  
19   of educational services and opportunities which will permit  
20   Indian children to compete and excel in the life areas of  
21   their choice and to achieve the measure of self-determina-  
22   tion essential to their social and economic well-being.

23          “(d) EDUCATIONAL NEEDS.—Congress affirms the  
24   reality of the special and unique educational needs of In-  
25   dian peoples, including the need for programs to meet the  
26   linguistic and cultural aspirations of Indian tribes and

1 communities. These may best be met through a grant  
2 process.

3 “(e) FEDERAL RELATIONS.—Congress declares its  
4 commitment to these policies and its support, to the full  
5 extent of its responsibility, for Federal relations with the  
6 Indian Nations.

7 “(f) TERMINATION.—Congress hereby repudiates and  
8 rejects House Resolution 108 of the 83d Congress and any  
9 policy of unilateral termination of Federal relations with  
10 any Indian Nation.

11 **“SEC. 5204. GRANTS AUTHORIZED.**

12 “(a) IN GENERAL.—

13 “(1) ELIGIBILITY.—The Secretary shall provide  
14 grants to Indian tribes, and tribal organizations  
15 that—

16 “(A) operate contract schools under title  
17 XI of the Education Amendments of 1978 and  
18 notify the Secretary of their election to operate  
19 the schools with assistance under this part  
20 rather than continuing as contract school;

21 “(B) operate other tribally controlled  
22 schools eligible for assistance under this part  
23 and submit applications (which are approved by  
24 their tribal governing bodies) to the Secretary  
25 for such grants; or

1           “(C) elect to assume operation of Bureau  
2 funded schools with the assistance under this  
3 part and submit applications (which are ap-  
4 proved by their tribal governing bodies) to the  
5 Secretary for such grants.

6           “(2) DEPOSIT OF FUNDS.—Grants provided  
7 under this part shall be deposited into the general  
8 operating fund of the tribally controlled school with  
9 respect to which the grant is made.

10          “(3) USE OF FUNDS.—(A) Except as otherwise  
11 provided in this paragraph, grants provided under  
12 this part shall be used to defray, at the discretion  
13 of the school board of the tribally controlled school  
14 with respect to which the grant is provided, any ex-  
15 penditures for education related activities for which  
16 any funds that compose the grant may be used  
17 under the laws described in section 5205(a), includ-  
18 ing, but not limited to, expenditures for—

19               “(i) school operations, academic, edu-  
20 cational, residential, guidance and counseling,  
21 and administrative purposes; and

22               “(ii) support services for the school, includ-  
23 ing transportation.

24          “(B) Grants provided under this part may, at  
25 the discretion of the school board of the tribally con-

1 trolled school with respect to which such grant is  
2 provided, be used to defray operations and mainte-  
3 nance expenditures for the school if any funds for  
4 the operation and maintenance of the school are al-  
5 located to the school under the provisions of any of  
6 the laws described in section 5205(a).

7 “(b) LIMITATIONS.—

8 “(1) ONE GRANT PER TRIBE OR ORGANIZATION  
9 PER FISCAL YEAR.—Not more than one grant may  
10 be provided under this part with respect to any In-  
11 dian tribe or tribal organization for any fiscal year.

12 “(2) NONSECTARIAN USE.—Funds provided  
13 under any grant made under this part may not be  
14 used in connection with religious worship or sec-  
15 tarian instruction.

16 “(3) ADMINISTRATIVE COSTS LIMITATION.—  
17 Funds provided under any grant under this part  
18 may not be expended for administrative costs (as de-  
19 fined in section 1128(h)(1) of the Education Amend-  
20 ments of 1978) in excess of the amount generated  
21 for such costs under section 1128 of such Act.

22 “(c) LIMITATION ON TRANSFER OF FUNDS AMONG  
23 SCHOOLSITES.—

24 “(1) IN GENERAL.—In the case of a grantee  
25 that operates schools at more than one schoolsite,



1 the grantee may expend not more than the lesser  
2 of—

3 “(A) 10 percent of the funds allocated for  
4 such schoolsite under section 1128 of the Edu-  
5 cation Amendments of 1978; or

6 “(B) \$400,000 of such funds, at any other  
7 schoolsite.

8 “(2) DEFINITION OF SCHOOLSITE.—For pur-  
9 poses of this subsection, the term ‘schoolsite’ means  
10 the physical location and the facilities of an elemen-  
11 tary or secondary educational or residential program  
12 operated by, or under contract or grant with, the  
13 Bureau for which a discreet student count is identi-  
14 fied under the funding formula established under  
15 section 1127 of the Education Amendments of 1978.

16 “(d) NO REQUIREMENT TO ACCEPT GRANTS.—  
17 Nothing in this part may be construed—

18 “(1) to require a tribe or tribal organization to  
19 apply for or accept; or

20 “(2) to allow any person to coerce any tribe or  
21 tribal organization to apply for, or accept,

22 a grant under this part to plan, conduct, and administer  
23 all of, or any portion of, any Bureau program. Such appli-  
24 cations and the timing of such applications shall be strictly  
25 voluntary. Nothing in this part may be construed as allow-

1 ing or requiring any grant with any entity other than the  
2 entity to which the grant is provided.

3 “(e) NO EFFECT ON FEDERAL RESPONSIBILITY.—  
4 Grants provided under this part shall not terminate, mod-  
5 ify, suspend, or reduce the responsibility of the Federal  
6 Government to provide a program.

7 “(f) RETROCESSION.—

8 “(1) IN GENERAL.—Whenever a tribal gov-  
9 erning body requests retrocession of any program for  
10 which assistance is provided under this part, such  
11 retrocession shall become effective upon a date speci-  
12 fied by the Secretary that is not later than 120 days  
13 after the date on which the tribal governing body re-  
14 quests the retrocession. A later date as may be spec-  
15 ified if mutually agreed upon by the Secretary and  
16 the tribal governing body. If such a program is  
17 retroceded, the Secretary shall provide to any Indian  
18 tribe served by such program at least the same  
19 quantity and quality of services that would have  
20 been provided under such program at the level of  
21 funding provided under this part prior to the ret-  
22 rocession.

23 “(2) STATUS AFTER RETROCESSION.—The tribe  
24 requesting retrocession shall specify whether the ret-  
25 rocession is to status as a Bureau operated school

1 or as a school operated under contract under title XI  
2 of the Education Amendments of 1978.

3 “(3) TRANSFER OF EQUIPMENT AND MATE-  
4 RIALS.—Except as otherwise determined by the Sec-  
5 retary, the tribe or tribal organization operating the  
6 program to be retroceded must transfer to the Sec-  
7 retary (or to the tribe or tribal organization which  
8 will operate the program as a contract school) the  
9 existing equipment and materials which were  
10 acquired—

11 “(A) with assistance under this part; or

12 “(B) upon assumption of operation of the  
13 program under this part if the school was a Bu-  
14 reau funded school under title XI of the Edu-  
15 cation Amendments of 1978 before receiving as-  
16 sistance under this part.

17 “(g) PROHIBITION OF TERMINATION FOR ADMINIS-  
18 TRATIVE CONVENIENCE.—Grants provided under this  
19 part may not be terminated, modified, suspended, or re-  
20 duced solely for the convenience of the administering agen-  
21 cy.

22 **“SEC. 5205. COMPOSITION OF GRANTS.**

23 “(a) IN GENERAL.—The grant provided under this  
24 part to an Indian tribe or tribal organization for any fiscal  
25 year shall consist of—

1           “(1) the total amount of funds allocated for  
2           such fiscal year under sections 1127 and 1128 of the  
3           Education Amendments of 1978 with respect to the  
4           tribally controlled schools eligible for assistance  
5           under this part which are operated by such Indian  
6           tribe or tribal organization, including, but not lim-  
7           ited to, funds provided under such sections, or under  
8           any other provision of law, for transportation costs;

9           “(2) to the extent requested by such Indian  
10          tribe or tribal organization, the total amount of  
11          funds provided from operations and maintenance ac-  
12          counts and, notwithstanding section 105 of the In-  
13          dian Self-Determination Act, or any other provision  
14          of law, other facilities accounts for such schools for  
15          such fiscal year (including but not limited to those  
16          referenced under section 1126(d) of the Education  
17          Amendments of 1978 or any other law); and

18          “(3) the total amount of funds that are allo-  
19          cated to such schools for such fiscal year under—

20                 “(A) title I of the Elementary and Sec-  
21                 ondary Education Act of 1965;

22                 “(B) the Individuals with Disabilities Edu-  
23                 cation Act; and

1           “(C) any other Federal education law, that  
2           are allocated to such schools for such fiscal  
3           year.

4           “(b) SPECIAL RULES.—

5           “(1) IN GENERAL.—(A) Funds allocated to a  
6           tribally controlled school by reason of paragraph (1)  
7           or (2) of subsection (a) shall be subject to the provi-  
8           sions of this part and shall not be subject to any ad-  
9           ditional restriction, priority, or limitation that is im-  
10          posed by the Bureau with respect to funds provided  
11          under—

12           “(i) title I of the Elementary and Sec-  
13           ondary Education Act of 1965;

14           “(ii) the Individuals with Disabilities Edu-  
15           cation Act; or

16           “(iii) any Federal education law other than  
17           title XI of the Education Amendments of 1978.

18           “(B) Indian tribes and tribal organizations to  
19           which grants are provided under this part, and trib-  
20           ally controlled schools for which such grants are pro-  
21           vided, shall not be subject to any requirements, obli-  
22           gations, restrictions, or limitations imposed by the  
23           Bureau that would otherwise apply solely by reason  
24           of the receipt of funds provided under any law re-

1       ferred to in clause (i), (ii), or (iii) of subparagraph  
2       (A).

3               “(2)   SCHOOLS    CONSIDERED    CONTRACT  
4       SCHOOLS.—Tribally controlled schools for which  
5       grants are provided under this part shall be treated  
6       as contract schools for the purposes of allocation of  
7       funds under sections 1126(d), 1127, and 1128 of  
8       the Education Amendments of 1978.

9               “(3)   SCHOOLS    CONSIDERED    BUREAU  
10      SCHOOLS.—Tribally controlled schools for which  
11      grants are provided under this chapter shall be  
12      treated as Bureau schools for the purposes of alloca-  
13      tion of funds provided under—

14                   “(A) title I of the Elementary and Sec-  
15                   ondary Education Act of 1965;

16                   “(B) the Individuals with Disabilities Edu-  
17                   cation Act; and

18                   “(C) any other Federal education law, that  
19                   are distributed through the Bureau.

20               “(4) ACCOUNTS; USE OF CERTAIN FUNDS.—(A)  
21      Notwithstanding section 5204(a)(2), with respect to  
22      funds from facilities improvement and repair, alter-  
23      ation and renovation (major or minor), health and  
24      safety, or new construction accounts included in the  
25      grant under section 5204(a), the grantee shall main-

1       tain a separate account for such funds. At the end  
2       of the period designated for the work covered by the  
3       funds received, the grantee shall submit to the Sec-  
4       retary a separate accounting of the work done and  
5       the funds expended to the Secretary. Funds received  
6       from these accounts may only be used for the pur-  
7       pose for which they were appropriated and for the  
8       work encompassed by the application or submission  
9       under which they were received.

10       “(B) Notwithstanding subparagraph (A), a  
11       school receiving a grant under this part for facilities  
12       improvement and repair may use such grant funds  
13       for new construction if the tribal government or  
14       other organization provides funding for the new con-  
15       struction equal to at least 25 percent of the total  
16       cost of such new construction.

17       “(C) Where the appropriations measure or the  
18       application submission does not stipulate a period  
19       for the work covered by the funds so designated, the  
20       Secretary and the grantee shall consult and deter-  
21       mine such a period prior to the transfer of the  
22       funds. A period so determined may be extended  
23       upon mutual agreement of the Secretary and the  
24       grantee.

1           “(5) ENFORCEMENT OF REQUEST TO INCLUDE  
2 FUNDS.—If the Secretary fails to carry out a re-  
3 quest made under subsection (a)(2) within 180 days  
4 of a request filed by an Indian tribe or tribal organi-  
5 zation to include in such tribe or organization’s  
6 grant the funds described in subsection (a)(2), the  
7 Secretary shall be deemed to have approved such re-  
8 quest and the Secretary shall immediately amend  
9 the grant accordingly. Such tribe or organization  
10 may enforce its rights under subsection (a)(2) and  
11 this paragraph, including any denial or failure to act  
12 on such tribe or organization’s request, pursuant to  
13 the disputes authority described in section 5209(e).

14 **“SEC. 5206. ELIGIBILITY FOR GRANTS.**

15           “(a) RULES.—

16           “(1) IN GENERAL.—A tribally controlled school  
17 is eligible for assistance under this part if the  
18 school—

19           “(A) on April 28, 1988, was a contract  
20 school under title XI of the Education Amend-  
21 ments of 1978 and the tribe or tribal organiza-  
22 tion operating the school submits to the Sec-  
23 retary a written notice of election to receive a  
24 grant under this part;



1           “(B) was a Bureau operated school under  
2           title XI of the Education Amendments of 1978  
3           and has met the requirements of subsection (b);

4           “(C) is a school for which the Bureau has  
5           not provided funds, but which has met the re-  
6           quirements of subsection (c); or

7           “(D) is a school with respect to which an  
8           election has been made under paragraph (2)  
9           and which has met the requirements of sub-  
10          section (b).

11          “(2) NEW SCHOOLS.—Any application which  
12          has been submitted under the Indian Self-Deter-  
13          mination and Education Assistance Act by an Indian  
14          tribe for a school which is not in operation on the  
15          date of the enactment of the Public Education Rein-  
16          vestment, Reinvention, and Responsibility Act  
17          (Three R’s) shall be reviewed under the guidelines  
18          and regulations for applications submitted under the  
19          Indian Self-Determination and Education Assistance  
20          Act that were in effect at the time the application  
21          was submitted, unless the Indian tribe or tribal or-  
22          ganization elects to have the application reviewed  
23          under the provisions of subsection (b).

24          “(b) ADDITIONAL REQUIREMENTS FOR BUREAU  
25          FUNDED SCHOOLS AND CERTAIN ELECTING SCHOOLS.—

1           “(1) BUREAU FUNDED SCHOOLS.—A school  
2           that was a Bureau funded school under title XI of  
3           the Education Amendments of 1978 on the date of  
4           the enactment of the Public Education Reinvest-  
5           ment, Reinvention, and Responsibility Act (Three  
6           R’s), and any school with respect to which an elec-  
7           tion is made under subsection (a)(2), meets the re-  
8           quirements of this subsection if—

9                   “(A) the Indian tribe or tribal organization  
10           that operates, or desires to operate, the school  
11           submits to the Secretary an application request-  
12           ing that the Secretary—

13                   “(i) transfer operation of the school to  
14           the Indian tribe or tribal organization, if  
15           the Indian tribe or tribal organization is  
16           not already operating the school; and

17                   “(ii) make a determination as to  
18           whether the school is eligible for assistance  
19           under this part; and

20                   “(B) the Secretary makes a determination  
21           that the school is eligible for assistance under  
22           this part.

23           “(2) CERTAIN ELECTING SCHOOLS.—(A) By  
24           not later than the date that is 120 days after the  
25           date on which an application is submitted to the

1 Secretary under paragraph (1)(A), the Secretary  
2 shall determine—

3 “(i) in the case of a school which is not  
4 being operated by the Indian tribe or tribal or-  
5 ganization, whether to transfer operation of the  
6 school to the Indian tribe or tribal organization;  
7 and

8 “(ii) whether the school is eligible for as-  
9 sistance under this part.

10 “(B) In considering applications submitted  
11 under paragraph (1)(A), the Secretary—

12 “(i) shall transfer operation of the school  
13 to the Indian tribe or tribal organization, if the  
14 tribe or tribal organization is not already oper-  
15 ating the school; and

16 “(ii) shall determine that the school is eli-  
17 gible for assistance under this part, unless the  
18 Secretary finds by clear and convincing evidence  
19 that the services to be provided by the Indian  
20 tribe or tribal organization will be deleterious to  
21 the welfare of the Indians served by the school.

22 “(C) In considering applications submitted  
23 under paragraph (1)(A), the Secretary shall consider  
24 whether the Indian tribe or tribal organization would  
25 be deficient in operating the school with respect to—

1 “(i) equipment;

2 “(ii) bookkeeping and accounting proce-  
3 dures;

4 “(iii) ability to adequately manage a  
5 school; or

6 “(iv) adequately trained personnel.

7 “(c) ADDITIONAL REQUIREMENTS FOR A SCHOOL  
8 WHICH IS NOT A BUREAU FUNDED SCHOOL.—

9 “(1) IN GENERAL.—A school which is not a Bu-  
10 reau funded school under title XI of the Education  
11 Amendments of 1978 meets the requirements of this  
12 subsection if—

13 “(A) the Indian tribe or tribal organization  
14 that operates, or desires to operate, the school  
15 submits to the Secretary an application request-  
16 ing a determination by the Secretary as to  
17 whether the school is eligible for assistance  
18 under this part; and

19 “(B) the Secretary makes a determination  
20 that a school is eligible for assistance under this  
21 part.

22 “(2) DEADLINE FOR DETERMINATION BY SEC-  
23 RETARY.—(A) By not later than the date that is  
24 180 days after the date on which an application is  
25 submitted to the Secretary under paragraph (1)(A),

1 the Secretary shall determine whether the school is  
2 eligible for assistance under this part.

3 “(B) In making the determination under sub-  
4 paragraph (A), the Secretary shall give equal consid-  
5 eration to each of the following factors:

6 “(i) with respect to the applicant’s  
7 proposal—

8 “(I) the adequacy of facilities or the  
9 potential to obtain or provide adequate fa-  
10 cilities;

11 “(II) geographic and demographic fac-  
12 tors in the affected areas;

13 “(III) adequacy of the applicant’s pro-  
14 gram plans;

15 “(IV) geographic proximity of com-  
16 parable public education; and

17 “(V) the needs as expressed by all af-  
18 fected parties, including but not limited to  
19 students, families, tribal governments at  
20 both the central and local levels, and  
21 school organizations; and

22 “(ii) with respect to all education services  
23 already available—

24 “(I) geographic and demographic fac-  
25 tors in the affected areas;

1                   “(II) adequacy and comparability of  
2                   programs already available;

3                   “(III) consistency of available pro-  
4                   grams with tribal education codes or tribal  
5                   legislation on education; and

6                   “(IV) the history and success of these  
7                   services for the proposed population to be  
8                   served, as determined from all factors in-  
9                   cluding, if relevant, standardized examina-  
10                  tion performance.

11                  “(C) The Secretary may not make a determina-  
12                  tion under this paragraph that is primarily based  
13                  upon the geographic proximity of comparable public  
14                  education.

15                  “(D) Applications submitted under paragraph  
16                  (1)(A) shall include information on the factors de-  
17                  scribed in subparagraph (B)(i), but the applicant  
18                  may also provide the Secretary such information rel-  
19                  ative to the factors described in subparagraph  
20                  (B)(ii) as the applicant considers appropriate.

21                  “(E) If the Secretary fails to make a deter-  
22                  mination under subparagraph (A) with respect to an  
23                  application within 180 days after the date on which  
24                  the Secretary received the application, the Secretary  
25                  shall be treated as having made a determination that

1 the tribally controlled school is eligible for assistance  
2 under the title and the grant shall become effective  
3 18 months after the date on which the Secretary re-  
4 ceived the application, or on an earlier date, at the  
5 Secretary's discretion.

6 “(d) FILING OF APPLICATIONS AND REPORTS.—

7 “(1) IN GENERAL.—All applications and reports  
8 submitted to the Secretary under this part, and any  
9 amendments to such applications or reports, shall be  
10 filed with the education line officer designated by  
11 the Director of the Office of Indian Education Pro-  
12 grams of the Bureau of Indian Affairs. The date on  
13 which such filing occurs shall, for purposes of this  
14 part, be treated as the date on which the application  
15 or amendment was submitted to the Secretary.

16 “(2) SUPPORTING DOCUMENTATION.—Any ap-  
17 plication that is submitted under this chapter shall  
18 be accompanied by a document indicating the action  
19 taken by the tribal governing body in authorizing  
20 such application.

21 “(e) EFFECTIVE DATE FOR APPROVED APPLICA-  
22 TIONS.—Except as provided by subsection (c)(2)(E), a  
23 grant provided under this part, and any transfer of the  
24 operation of a Bureau school made under subsection (b),  
25 shall become effective beginning the academic year suc-

ceeding the fiscal year in which the application for the grant or transfer is made, or at an earlier date determined by the Secretary.

“(f) DENIAL OF APPLICATIONS.—

“(1) IN GENERAL.—Whenever the Secretary refuses to approve a grant under this chapter, to transfer operation of a Bureau school under subsection (b), or determines that a school is not eligible for assistance under this part, the Secretary shall—

“(A) state the objections in writing to the tribe or tribal organization within the allotted time;

“(B) provide assistance to the tribe or tribal organization to overcome all stated objections.

“(C) at the request of the tribe or tribal organization, provide the tribe or tribal organization a hearing on the record under the same rules and regulations that apply under the Indian Self-Determination and Education Assistance Act; and

“(D) provide an opportunity to appeal the objection raised.



1           “(2) TIMELINE FOR RECONSIDERATION OF  
2       AMENDED APPLICATIONS.—The Secretary shall re-  
3       consider any amended application submitted under  
4       this part within 60 days after the amended applica-  
5       tion is submitted to the Secretary.

6           “(g) REPORT.—The Bureau shall submit an annual  
7       report to the Congress on all applications received, and  
8       actions taken (including the costs associated with such ac-  
9       tions), under this section at the same time that the Presi-  
10      dent is required to submit to Congress the budget under  
11      section 1105 of title 31, United States Code.

12      **“SEC. 5207. DURATION OF ELIGIBILITY DETERMINATION.**

13           “(a) IN GENERAL.—If the Secretary determines that  
14      a tribally controlled school is eligible for assistance under  
15      this part, the eligibility determination shall remain in ef-  
16      fect until the determination is revoked by the Secretary,  
17      and the requirements of subsection (b) or (c) of section  
18      5206, if applicable, shall be considered to have been met  
19      with respect to such school until the eligibility determina-  
20      tion is revoked by the Secretary.

21           “(b) ANNUAL REPORTS.—

22           “(1) IN GENERAL.—Each recipient of a grant  
23      provided under this part shall complete an annual  
24      report which shall be limited to—

1           “(A) an annual financial statement report-  
2           ing revenue and expenditures as defined by the  
3           cost accounting established by the grantee;

4           “(B) an annual financial audit conducted  
5           pursuant to the standards of the Single Audit  
6           Act of 1984;

7           “(C) an annual submission to the Sec-  
8           retary of the number of students served and a  
9           brief description of programs offered under the  
10          grant; and

11          “(D) a program evaluation conducted by  
12          an impartial evaluation review team, to be  
13          based on the standards established for purposes  
14          of subsection (c)(1)(A)(ii).

15          “(2) EVALUATION REVIEW TEAMS.—Where ap-  
16          propriate, other tribally controlled schools and rep-  
17          resentatives of tribally controlled community colleges  
18          shall make up members of the evaluation review  
19          teams.

20          “(3) EVALUATIONS.—In the case of a school  
21          which is accredited, evaluations will be conducted at  
22          intervals under the terms of accreditation.

23          “(4) SUBMISSION OF REPORT.—

24                 “(A) TO TRIBALLY GOVERNING BODY.—

25                 Upon completion of the report required under

1 paragraph (a), the recipient of the grant shall  
2 send (via first class mail, return receipt re-  
3 quested) a copy of such annual report to the  
4 tribal governing body (as defined in section  
5 1132(f) of the Education Amendments of 1978)  
6 of the tribally controlled school.

7 “(B) TO SECRETARY.—Not later than 30  
8 days after receiving written confirmation that  
9 the tribal governing body has received the re-  
10 port send pursuant to subsection (A), the re-  
11 cipient of the grant shall send a copy of the re-  
12 port to the Secretary.

13 “(c) REVOCATION OF ELIGIBILITY.—

14 “(1) IN GENERAL.—(A) The Secretary shall not  
15 revoke a determination that a school is eligible for  
16 assistance under this part if—

17 “(i) the Indian tribe or tribal organization  
18 submits the reports required under subsection  
19 (b) with respect to the school; and

20 “(ii) at least one of the following sub-  
21 clauses applies with respect to the school:

22 “(I) The school is certified or accred-  
23 ited by a State or regional accrediting as-  
24 sociation or is a candidate in good stand-  
25 ing for such accreditation under the rules

1 of the State or regional accrediting asso-  
2 ciation, showing that credits achieved by  
3 the students within the education pro-  
4 grams are, or will be, accepted at grade  
5 level by a State certified or regionally ac-  
6 credited institution.

7 “(II) A determination made by the  
8 Secretary that there is a reasonable expect-  
9 ation that the accreditation described in  
10 subclause (I), or the candidacy in good  
11 standing for such accreditation, will be  
12 reached by the school within 3 years and  
13 that the program offered by the school is  
14 beneficial to the Indian students.

15 “(III) The school is accredited by a  
16 tribal department of education if such ac-  
17 creditation is accepted by a generally rec-  
18 ognized regional or State accreditation  
19 agency.

20 “(IV) The schools accept the stand-  
21 ards promulgated under section 1121 of  
22 the Education Amendments of 1978 and  
23 an evaluation of performance is conducted  
24 under this section in conformance with the  
25 regulations pertaining to Bureau operated

1 schools by an impartial evaluator chosen  
2 by the grantee, but no grantee shall be re-  
3 quired to comply with these standards to a  
4 higher degree than a comparable Bureau  
5 operated school.

6 “(V) A positive evaluation of the  
7 school is conducted by an impartial eval-  
8 uator agreed upon by the Secretary and  
9 the grantee every 2 years under standards  
10 adopted by the contractor under a contract  
11 for a school entered into under the Indian  
12 Self-Determination and Education Assist-  
13 ance Act (or revisions of such standards  
14 agreed to by the Secretary and the grant-  
15 ee) prior to the date of the enactment of  
16 this Act. If the Secretary and the grantee  
17 other than the tribal governing body fail to  
18 agree on such an evaluator, the tribal gov-  
19 erning body shall choose the evaluator or  
20 perform the evaluation. If the Secretary  
21 and a grantee which is the tribal governing  
22 body fail to agree on such an evaluator,  
23 this subclause shall not apply.

24 “(B) The choice of standards employed for the  
25 purpose of subparagraph (A)(ii) shall be consistent

1 with section 1121(e) of the Education Amendments  
2 of 1978.

3 “(2) NOTICE REQUIREMENTS FOR REVOCATION.—The Secretary shall not revoke a determina-  
4 tion that a school is eligible for assistance under this  
5 part, or reassume control of a school that was a Bu-  
6 reau school prior to approval of an application sub-  
7 mitted under section 5206(b)(1)(A) until the  
8 Secretary—  
9

10 “(A) provides notice to the tribally con-  
11 trolled school and the tribal governing body  
12 (within the meaning of section 1141(14) of the  
13 Education Amendments of 1978) of the tribally  
14 controlled school which states—

15 “(i) the specific deficiencies that led  
16 to the revocation or resumption determina-  
17 tion; and

18 “(ii) the actions that are needed to  
19 remedy such deficiencies; and

20 “(B) affords such authority an opportunity  
21 to effect the remedial actions.

22 “(3) TECHNICAL ASSISTANCE.—The Secretary  
23 shall provide such technical assistance as is prac-  
24 ticable to effect such remedial actions. Such notice  
25 and technical assistance shall be in addition to a

1 hearing and appeal to be conducted pursuant to the  
2 regulations described in section 5206(f)(1)(C).

3 “(d) APPLICABILITY OF SECTION PURSUANT TO  
4 ELECTION UNDER SECTION 5209(b).—With respect to a  
5 tribally controlled school which receives assistance under  
6 this part pursuant to an election made under section  
7 5209(b)—

8 “(1) subsection (b) of this section shall apply;  
9 and

10 “(2) the Secretary may not revoke eligibility for  
11 assistance under this part except in conformance  
12 with subsection (c) of this section.

13 **“SEC. 5208. PAYMENT OF GRANTS; INVESTMENT OF FUNDS.**

14 “(a) PAYMENTS.—

15 “(1) IN GENERAL.—Except as otherwise pro-  
16 vided in this subsection, the Secretary shall make  
17 payments to grantees under this part in two pay-  
18 ments, of which—

19 “(A) the first payment shall be made not  
20 later than July 15 of each year in an amount  
21 equal to 85 percent of the amount which the  
22 grantee was entitled to receive during the pre-  
23 ceding academic year; and

24 “(B) the second payment, consisting of the  
25 remainder to which the grantee is entitled for

1           the academic year, shall be made not later than  
2           December 1 of each year.

3           “(2) NEWLY FUNDED SCHOOLS.—For any  
4           school for which no payment under this part was  
5           made from Bureau funds in the preceding academic  
6           year, full payment of the amount computed for the  
7           first academic year of eligibility under this part shall  
8           be made not later than December 1 of the academic  
9           year.

10          “(3) LATE FUNDING.—With regard to funds for  
11          grantees that become available for obligation on Oc-  
12          tober 1 of the fiscal year for which such funds are  
13          appropriated, the Secretary shall make payments to  
14          grantees not later than December 1 of the fiscal  
15          year.

16          “(4) APPLICABILITY OF CERTAIN TITLE 31 PRO-  
17          VISIONS.—The provisions of chapter 39 of Title 31,  
18          United States Code, shall apply to the payments re-  
19          quired to be made by paragraphs (1), (2), and (3).

20          “(5) RESTRICTIONS.—Paragraphs (1), (2), and  
21          (3) shall be subject to any restriction on amounts of  
22          payments under this part that are imposed by a con-  
23          tinuing resolution or other Act appropriating the  
24          funds involved.

25          “(b) INVESTMENT OF FUNDS.—



1           “(1) TREATMENT OF INTEREST AND INVEST-  
2           MENT INCOME.—Notwithstanding any other provi-  
3           sion of law, any interest or investment income that  
4           accrues to any funds provided under this part after  
5           such funds are paid to the Indian tribe or tribal or-  
6           ganization and before such funds are expended for  
7           the purpose for which such funds were provided  
8           under this part shall be the property of the Indian  
9           tribe or tribal organization and shall not be taken  
10          into account by any officer or employee of the Fed-  
11          eral Government in determining whether to provide  
12          assistance, or the amount of assistance, under any  
13          provision of Federal law. Such interest income shall  
14          be spent on behalf of the school.

15          “(2) PERMISSIBLE INVESTMENTS.—Funds pro-  
16          vided under this part may be invested by the Indian  
17          tribe or tribal organization before such funds are ex-  
18          pended for the purposes of this part so long as such  
19          funds are—

20                 “(A) invested by the Indian tribe or tribal  
21                 organization only in obligations of the United  
22                 States, or in obligations or securities that are  
23                 guaranteed or insured by the United States, or  
24                 mutual (or other) funds registered with the Se-  
25                 curities and Exchange Commission and which

1           only invest in obligations of the United States,  
2           or securities that are guaranteed or insured by  
3           the United States; or

4           “(B) deposited only into accounts that are  
5           insure by and agency or instrumentality of the  
6           United States, or are fully collateralized to en-  
7           sure protection of the funds, even in the event  
8           of a bank failure.

9           “(c) RECOVERIES.—For the purposes of under-  
10          recovery and overrecovery determinations by any Federal  
11          agency for any other funds, from whatever source derived,  
12          funds received under this part shall not be taken into con-  
13          sideration.

14       **“SEC. 5209. APPLICATION WITH RESPECT TO INDIAN SELF-**  
15                       **DETERMINATION AND EDUCATION ASSIST-**  
16                       **ANCE ACT.**

17           “(a) CERTAIN PROVISIONS TO APPLY TO GRANTS.—  
18          The following provisions of the Indian Self-Determination  
19          and Education Assistance Act (and any subsequent revi-  
20          sions thereto or renumbering thereof), shall apply to  
21          grants provided under this part:

22           “(1) Section 5(f) (relating to single agency  
23          audit).

24           “(2) Section 6 (relating to criminal activities;  
25          penalties).

1           “(3) Section 7 (relating to wage and labor  
2 standards).

3           “(4) Section 104 (relating to retention of Fed-  
4 eral employee coverage).

5           “(5) Section 105(f) (relating to Federal prop-  
6 erty).

7           “(6) Section 105(k) (relating to access to Fed-  
8 eral sources of supply).

9           “(7) Section 105(l) (relating to lease of facility  
10 used for administration and delivery of services).

11           “(8) Section 106(e) (relating to limitation on  
12 remedies relating to cost allowances).

13           “(9) Section 106(i) (relating to use of funds for  
14 matching or cost participation requirements).

15           “(10) Section 106(j) (relating to allowable uses  
16 of funds).

17           “(11) Section 108(c) (Model Agreements provi-  
18 sions (1)(a)(5) (relating to limitations of costs),  
19 (1)(a)(7) (relating to records and monitoring),  
20 (1)(a)(8) (relating to property), and (a)(1)(9) (relat-  
21 ing to availability of funds).

22           “(12) Section 109 (relating to reassumption).

23           “(13) Section 111 (relating to sovereign immu-  
24 nity and trusteeship rights unaffected).

1       “(b) ELECTION FOR GRANT IN LIEU OF CON-  
2 TRACT.—

3               “(1) IN GENERAL.—Contractors for activities to  
4 which this part applies who have entered into a con-  
5 tract under the Indian Self-Determination and Edu-  
6 cation Assistance Act that is in effect upon the date  
7 of the enactment of the Public Education Reinvest-  
8 ment, Reinvention, and Responsibility Act (Three  
9 R’s) may, by giving notice to the Secretary, elect to  
10 have the provisions of this part apply to such activ-  
11 ity in lieu of such contract.

12               “(2) EFFECTIVE DATE OF ELECTION.—Any  
13 election made under paragraph (1) shall take effect  
14 on the later of—

15               “(A) October 1 of the fiscal year suc-  
16 ceeding the fiscal year in which such election is  
17 made; or

18               “(B) 60 days after the date of such elec-  
19 tion.

20               “(3) EXCEPTION.—In any case in which the 60-  
21 day period referred to in paragraph (2)(B) is less  
22 than 60 days before the beginning of the succeeding  
23 fiscal year, such election shall not take effect until  
24 the fiscal year after the fiscal year succeeding the  
25 election.

1       “(c) NO DUPLICATION.—No funds may be provided  
2 under any contract entered into under the Indian Self-De-  
3 termination and Education Assistance Act to pay any ex-  
4 penses incurred in providing any program or services if  
5 a grant has been made under this part to pay such ex-  
6 penses.

7       “(d) TRANSFERS AND CARRYOVERS.—

8               “(1) BUILDINGS, EQUIPMENT, SUPPLIES, MATE-  
9 RIALS.—A tribe or tribal organization assuming the  
10 operation of—

11                   “(A) a Bureau school with assistance  
12 under this part shall be entitled to the transfer  
13 or use of buildings, equipment, supplies, and  
14 materials to the same extent as if it were con-  
15 tracting under the Indian Self-Determination  
16 and Education Assistance Act; or

17                   “(B) a contract school with assistance  
18 under this part shall be entitled to the transfer  
19 or use of buildings, equipment, supplies and  
20 materials that were used in the operation of the  
21 contract school to the same extent as if it were  
22 contracting under the Indian Self-Determina-  
23 tion and Education Assistance Act.

24               “(2) FUNDS.—Any tribe or tribal organization  
25 which assumes operation of a Bureau school with as-

1       sistance under this part and any tribe or tribal orga-  
2       nization which elects to operate a school with assist-  
3       ance under this part rather than to continue as a  
4       contract school shall be entitled to any funds which  
5       would carryover from the previous fiscal year as if  
6       such school were operated as a contract school.

7       “(e) EXCEPTIONS, PROBLEMS, AND DISPUTES.—Any  
8       exception or problem cited in an audit conducted pursuant  
9       to section 5207(b)(2), any dispute regarding a grant au-  
10      thorized to be made pursuant to this part or any amend-  
11      ment to such grant, and any dispute involving an adminis-  
12      trative cost grant under section 1128 of the Education  
13      Amendments of 1978 shall be administered under the pro-  
14      visions governing such exceptions, problems, or disputes  
15      in the case of contracts under the Indian Self-Determina-  
16      tion and Education Assistance Act of 1975. The Equal  
17      Access to Justice Act shall apply to administrative appeals  
18      filed after September 8, 1988, by grantees regarding a  
19      grant under this part, including an administrative cost  
20      grant.

21      **“SEC. 5210. ROLE OF THE DIRECTOR.**

22      “Applications for grants under this part, and all ap-  
23      plication modifications, shall be reviewed and approved by  
24      personnel under the direction and control of the Director  
25      of the Office of Indian Education Programs. Required re-

1 ports shall be submitted to education personnel under the  
2 direction and control of the Director of such Office.

3 **“SEC. 5211. REGULATIONS.**

4 “The Secretary is authorized to issue regulations re-  
5 lating to the discharge of duties specifically assigned to  
6 the Secretary by this part. In all other matters relating  
7 to the details of planning, development, implementing, and  
8 evaluating grants under this part, the Secretary shall not  
9 issue regulations. Regulations issued pursuant to this part  
10 shall not have the standing of a Federal statute for the  
11 purposes of judicial review.

12 **“SEC. 5212. THE TRIBALLY CONTROLLED GRANT SCHOOL**  
13 **ENDOWMENT PROGRAM.**

14 “(a) IN GENERAL.—

15 “(1) Each school receiving grants under this  
16 part may establish, at a Federally insured banking  
17 and savings institution, a trust fund for the pur-  
18 poses of this section.

19 “(2) The school may provide—

20 “(A) for the deposit into the trust fund,  
21 only funds from non-Federal sources, except  
22 that the interest on funds received from grants  
23 under this part may be used for this purpose;

24 “(B) for the deposit in the account of any  
25 earnings on funds deposited in the account; and

1           “(C) for the sole use of the school any  
2           noncash, in-kind contributions of real or per-  
3           sonal property, such property may at any time  
4           be converted to cash.

5           “(b) INTEREST.—Interest from the fund established  
6           under subsection (a) may periodically be withdrawn and  
7           used, at the discretion of the school, to defray any ex-  
8           penses associated with the operation of the school.

9   **“SEC. 5213. DEFINITIONS.**

10          “For the purposes of this part:

11           “(1) BUREAU.—The term ‘Bureau’ means the  
12           Bureau of Indian Affairs of the Department of the  
13           Interior.

14           “(2) ELIGIBLE INDIAN STUDENT.—The term  
15           ‘eligible Indian student’ has the meaning of such  
16           term in section 1127(f) of the Education Amend-  
17           ments of 1978.

18           “(3) INDIAN TRIBE.—The term ‘Indian tribe’  
19           means any Indian tribe, band, nation, or other orga-  
20           nized group or community, including Alaska Native  
21           Village or regional corporations (as defined in or es-  
22           tablished pursuant to the Alaskan Native Claims  
23           Settlement Act, which is recognized as eligible for  
24           the special programs and services provided by the



1 United States to Indians because of their status as  
2 Indians.

3 “(4) LOCAL EDUCATIONAL AGENCY.—The term  
4 a ‘local educational agency’ means a public board of  
5 education or other public authority legally con-  
6 stituted within a State for either administrative con-  
7 trol or direction of, or to perform a service function  
8 for, public elementary or secondary schools in a city,  
9 county, township, school district, or other political  
10 subdivision of a State or such combination of school  
11 districts or counties as are recognized in a State as  
12 an administrative agency for its public elementary or  
13 secondary schools. Such term includes any other  
14 public institution or agency having administrative  
15 control and direction of a public elementary or sec-  
16 ondary school.

17 “(5) SECRETARY.—The term ‘Secretary’ means  
18 the Secretary of the Interior.

19 “(6) TRIBAL ORGANIZATION.—(A) The term  
20 ‘tribal organization’ means—

21 “(i) the recognized governing body of any  
22 Indian tribe; or

23 “(ii) any legally established organization of  
24 Indians which—

1                   “(I) is controlled, sanctioned, or char-  
2                   tered by such governing body or is demo-  
3                   cratically elected by the adult members of  
4                   the Indian community to be served by such  
5                   organization; and

6                   “(II) includes the maximum participa-  
7                   tion of Indians in all phases of its activi-  
8                   ties.

9                   “(B) In any case in which a grant is provided  
10                  under this part to an organization to provide serv-  
11                  ices benefiting more than one Indian tribe, the ap-  
12                  proval of the governing bodies of Indian tribes rep-  
13                  resenting 80 percent of those students attending the  
14                  tribally controlled school shall be considered a suffi-  
15                  cient tribal authorization for such grant.

16                  “(7) TRIBALLY CONTROLLED SCHOOL.—The  
17                  term ‘tribally controlled school’ means a school oper-  
18                  ated by a tribe or a tribal organization, enrolling  
19                  students in kindergarten through grade 12, includ-  
20                  ing preschools, which is not a local educational agen-  
21                  cy and which is not directly administered by the Bu-  
22                  reau of Indian Affairs.”.

1       **TITLE IV—PUBLIC SCHOOL**  
2                   **CHOICE**

3   **SEC. 401. PUBLIC SCHOOL CHOICE.**

4       (a) MAGNET SCHOOLS AMENDMENTS.—Part A of  
5 title V (20 U.S.C. 7201 et seq.) is amended to read as  
6 follows:

7       **“PART A—MAGNET SCHOOL ASSISTANCE**

8   **“SEC. 5101. FINDINGS.**

9       “The Congress finds that—

10           “(1) magnet schools are a significant part of  
11 our Nation’s effort to achieve voluntary desegrega-  
12 tion in our Nation’s schools;

13           “(2) the use of magnet schools has increased  
14 dramatically since the date of the enactment of the  
15 Magnet Schools Assistance program, with approxi-  
16 mately 2,000,000 students nationwide now attending  
17 such schools, of which more than 65 percent of the  
18 students are nonwhite;

19           “(3) magnet schools offer a wide range of dis-  
20 tinctive programs that have served as models for  
21 school improvement efforts;

22           “(4) in administering the Magnet Schools As-  
23 sistance program, the Federal Government has  
24 learned that—

1           “(A) where magnet programs are imple-  
2           mented for only a portion of a school’s student  
3           body, special efforts must be made to discour-  
4           age the isolation of—

5                   “(i) magnet school students from  
6                   other students in the school; and

7                   “(ii) students by racial characteristics;

8           “(B) local educational agencies can maxi-  
9           mize their effectiveness in achieving the pur-  
10          poses of the Magnet Schools Assistance pro-  
11          gram if such agencies have more flexibility in  
12          the administration of such program in order to  
13          serve students attending a school who are not  
14          enrolled in the magnet school program;

15          “(C) local educational agencies must be  
16          creative in designing magnet schools for stu-  
17          dents at all academic levels, so that school dis-  
18          tricts do not select only the highest achieving  
19          students to attend the magnet schools;

20          “(D) consistent with desegregation guide-  
21          lines, local educational agencies must seek to  
22          enable participation in magnet school programs  
23          by students who reside in the neighborhoods  
24          where the programs operate; and

1           “(E) in order to ensure that magnet  
2 schools are sustained after Federal funding  
3 ends, the Federal Government must assist  
4 school districts to improve their capacity to con-  
5 tinue to operate magnet schools at a high level  
6 of performance; and

7           “(5) it is in the best interest of the Federal  
8 Government to—

9           “(A) continue the Federal Government’s  
10 support of school districts implementing court-  
11 ordered desegregation plans and school districts  
12 voluntarily seeking to foster meaningful inter-  
13 action among students of different racial and  
14 ethnic backgrounds, beginning at the earliest  
15 stage of such students’ education;

16           “(B) ensure that all students have equi-  
17 table access to quality education that will pre-  
18 pare such students to function well in a techno-  
19 logically oriented society and a highly competi-  
20 tive economy;

21           “(C) maximize the ability of local edu-  
22 cational agencies to plan, develop, implement  
23 and continue effective and innovative magnet  
24 schools that contribute to State and local sys-  
25 temic reform; and

1           “(D) ensure that grant recipients provide  
2           adequate data which demonstrates an ability to  
3           improve student achievement.

4   **“SEC. 5102. STATEMENT OF PURPOSE.**

5           “The purpose of this part is to assist in the desegre-  
6   gation of schools served by local educational agencies by  
7   providing financial assistance to eligible local educational  
8   agencies for—

9           “(1) the elimination, reduction, or prevention of  
10   minority group isolation in elementary and sec-  
11   ondary schools with substantial proportions of mi-  
12   nority students;

13           “(2) the development and implementation of  
14   magnet school projects that will assist local edu-  
15   cational agencies in achieving systemic reforms and  
16   providing all students the opportunity to meet chal-  
17   lenging State content standards and challenging  
18   State student performance standards;

19           “(3) the development and design of innovative  
20   educational methods and practices that promote di-  
21   versity and increase choices in public elementary and  
22   secondary schools and educational programs; and

23           “(4) courses of instruction within magnet  
24   schools that will substantially strengthen the knowl-  
25   edge of academic subjects and the grasp of tangible

1       and marketable vocational and technical skills of  
2       students attending such schools.

3   **“SEC. 5103. PROGRAM AUTHORIZED.**

4       “The Secretary, in accordance with this part, is au-  
5       thorized to make grants to eligible local educational agen-  
6       cies, and consortia of such agencies where appropriate, to  
7       carry out the purpose of this part for magnet schools that  
8       are—

9               “(1) part of an approved desegregation plan;  
10       and

11               “(2) designed to bring students from different  
12       social, economic, ethnic, and racial backgrounds to-  
13       gether.

14   **“SEC. 5104. DEFINITION.**

15       “For the purpose of this part, the term ‘magnet  
16       school’ means a public elementary or secondary school or  
17       public elementary or secondary education center that of-  
18       fers a special curriculum capable of attracting substantial  
19       numbers of students of different racial backgrounds.

20   **“SEC. 5105. ELIGIBILITY.**

21       “A local educational agency, or consortium of such  
22       agencies where appropriate, is eligible to receive assistance  
23       under this part to carry out the purposes of this part if  
24       such agency or consortium—

1           “(1) is implementing a plan undertaken pursu-  
2           ant to a final order issued by a court of the United  
3           States, or a court of any State, or any other State  
4           agency or official of competent jurisdiction, that re-  
5           quires the desegregation of minority-group-seg-  
6           regated children or faculty in the elementary and  
7           secondary schools of such agency; or

8           “(2) without having been required to do so, has  
9           adopted and is implementing, or will, if assistance is  
10          made available to such local educational agency or  
11          consortium of such agencies under this part, adopt  
12          and implement a plan that has been approved by the  
13          Secretary as adequate under title VI of the Civil  
14          Rights Act of 1964 for the desegregation of minor-  
15          ity-group-segregated children or faculty in such  
16          schools.

17   **“SEC. 5106. APPLICATIONS AND REQUIREMENTS.**

18          “(a) APPLICATIONS.—An eligible local educational  
19          agency or consortium of such agencies desiring to receive  
20          assistance under this part shall submit an application to  
21          the Secretary at such time, in such manner, and con-  
22          taining such information and assurances as the Secretary  
23          may reasonably require.

24          “(b) INFORMATION AND ASSURANCES.—Each such  
25          application shall include—



1 “(1) a description of—

2 “(A) how assistance made available under  
3 this part will be used to promote desegregation,  
4 including how the proposed magnet school  
5 project will increase interaction among students  
6 of different social, economic, ethnic, and racial  
7 backgrounds;

8 “(B) the manner and extent to which the  
9 magnet school project will increase student  
10 achievement in the instructional area or areas  
11 offered by the school;

12 “(C) how an applicant will continue the  
13 magnet school project after assistance under  
14 this part is no longer available, including, if ap-  
15 plicable, an explanation of why magnet schools  
16 established or supported by the applicant with  
17 funds under this part cannot be continued with-  
18 out the use of funds under this part;

19 “(D) how funds under this part will be  
20 used to improve student academic performance  
21 for all students attending the magnet schools;  
22 and

23 “(E) the criteria to be used in selecting  
24 students to attend the proposed magnet school  
25 projects; and

1 “(2) assurances that the applicant will—

2 “(A) use funds under this part for the pur-  
3 poses specified in section 5102;

4 “(B) employ fully qualified teachers (as de-  
5 fined in section 2002) in the courses of instruc-  
6 tion assisted under this part;

7 “(C) not engage in discrimination based on  
8 race, religion, color, national origin, sex, or dis-  
9 ability in—

10 “(i) the hiring, promotion, or assign-  
11 ment of employees of the agency or other  
12 personnel for whom the agency has any ad-  
13 ministrative responsibility;

14 “(ii) the assignment of students to  
15 schools, or to courses of instruction within  
16 the school, of such agency, except to carry  
17 out the approved plan; and

18 “(iii) designing or operating extra-  
19 curricular activities for students;

20 “(D) carry out a high-quality education  
21 program that will encourage greater parental  
22 decisionmaking and involvement; and

23 “(E) give students residing in the local at-  
24 tendance area of the proposed magnet school

1           projects equitable consideration for placement  
2           in those projects.

3   **“SEC. 5107. PRIORITY.**

4           “In approving applications under this part, the Sec-  
5   retary shall give priority to applicants that—

6           “(1) demonstrate the greatest need for assist-  
7           ance, based on the expense or difficulty of effectively  
8           carrying out an approved desegregation plan and the  
9           projects for which assistance is sought;

10          “(2) propose to carry out new magnet school  
11          projects, or significantly revise existing magnet  
12          school projects; and

13          “(3) propose to select students to attend mag-  
14          net school projects by methods such as lottery, rath-  
15          er than through academic examination.

16   **“SEC. 5108. USE OF FUNDS.**

17          “(a) IN GENERAL.—Grant funds made available  
18          under this part may be used by an eligible local edu-  
19          cational agency or consortium of such agencies—

20          “(1) for planning and promotional activities di-  
21          rectly related to the development, expansion, con-  
22          tinuation, or enhancement of academic programs  
23          and services offered at magnet schools;

24          “(2) for the acquisition of books, materials, and  
25          equipment, including computers and the mainte-

1 nance and operation thereof, necessary for the con-  
2 duct of programs in magnet schools;

3 “(3) for the payment, or subsidization of the  
4 compensation, of elementary and secondary school  
5 teachers who are fully qualified (as defined in sec-  
6 tion 1119), and instructional staff where applicable,  
7 who are necessary for the conduct of programs in  
8 magnet schools;

9 “(4) with respect to a magnet school program  
10 offered to less than the entire student population of  
11 a school, for instructional activities that—

12 “(A) are designed to make available the  
13 special curriculum that is offered by the magnet  
14 school project to students who are enrolled in  
15 the school but who are not enrolled in the mag-  
16 net school program; and

17 “(B) further the purposes of this part; and

18 “(5) for activities, which may include profes-  
19 sional development, that will build the recipient’s ca-  
20 pacity to operate magnet school programs once the  
21 grant period has ended.

22 “(b) SPECIAL RULE.—Grant funds under this part  
23 may be used in accordance with paragraphs (2) and (3)  
24 of subsection (a) only if the activities described in such  
25 paragraphs are directly related to improving the students’

1 academic performance based on the State's challenging  
2 content standards and challenging student performance  
3 standards or directly related to improving the students'  
4 reading skills or knowledge of mathematics, science, his-  
5 tory, geography, English, foreign languages, art, or music,  
6 or to improving vocational and technical skills.

7 **"SEC. 5109. PROHIBITIONS.**

8       “(a) TRANSPORTATION.—Grants under this part may  
9 not be used for transportation or any activity that does  
10 not augment academic improvement.

11       “(b) PLANNING.—A local educational agency shall  
12 not expend funds under this part after the third year that  
13 such agency receives funds under this part for such  
14 project.

15 **"SEC. 5110. LIMITATIONS.**

16       “(a) DURATION OF AWARDS.—A grant under this  
17 part shall be awarded for a period that shall not exceed  
18 three fiscal years.

19       “(b) LIMITATION ON PLANNING FUNDS.—A local  
20 educational agency may expend for planning not more  
21 than 50 percent of the funds received under this part for  
22 the first year of the project, 15 percent of such funds for  
23 the second such year, and 10 percent of such funds for  
24 the third such year.

1       “(c) AMOUNT.—No local educational agency or con-  
2 sortium awarded a grant under this part shall receive  
3 more than \$4,000,000 under this part in any one fiscal  
4 year.

5       “(d) TIMING.—To the extent practicable, the Sec-  
6 retary shall award grants for any fiscal year under this  
7 part not later than July 1 of the applicable fiscal year.

8       **“SEC. 5111. EVALUATIONS.**

9       “(a) RESERVATION.—The Secretary may reserve not  
10 more than 2 percent of the funds appropriated under sec-  
11 tion 5112(a) for any fiscal year to carry out evaluations,  
12 technical assistance, and dissemination projects with re-  
13 spect to magnet school projects and programs assisted  
14 under this part.

15       “(b) CONTENTS.—Each evaluation described in sub-  
16 section (a), at a minimum, shall address—

17               “(1) how and the extent to which magnet school  
18 programs lead to educational quality and improve-  
19 ment;

20               “(2) the extent to which magnet school pro-  
21 grams enhance student access to quality education;

22               “(3) the extent to which magnet school pro-  
23 grams lead to the elimination, reduction, or preven-  
24 tion of minority group isolation in elementary and

1 secondary schools with substantial proportions of mi-  
2 nority students; and

3 “(4) the extent to which magnet school pro-  
4 grams differ from other school programs in terms of  
5 the organizational characteristics and resource allo-  
6 cations of such magnet school programs.

7 **“SEC. 5112. AUTHORIZATION OF APPROPRIATIONS; RES-**  
8 **ERVATION.**

9 “(a) AUTHORIZATION.—For the purpose of carrying  
10 out this part, there are authorized to be appropriated  
11 \$130,000,000 for fiscal year 2002 and such sums as may  
12 be necessary for the next 4 years.

13 “(b) AVAILABILITY OF FUNDS FOR GRANTS TO  
14 AGENCIES NOT PREVIOUSLY ASSISTED.—In any fiscal  
15 year for which the amount appropriated pursuant to sub-  
16 section (a) exceeds \$75,000,000, the Secretary shall give  
17 priority to using such amounts in excess of \$75,000,000  
18 to award grants to local educational agencies or consortia  
19 of such agencies that did not receive a grant under this  
20 part in the preceding fiscal year.

21 (b) CHARTER SCHOOLS AMENDMENTS.—Section  
22 10311 (20 U.S.C. 8067) is amended.—

23 (A) by striking “\$100,000,000” and in-  
24 serting “\$200,000,000”; and

1 (B) by striking “1999” and inserting  
2 “2002”.

3 (c) REPEALS, TRANSFERS AND REDESIGNATIONS.—  
4 The Act (20 U.S.C. 6301 et seq.) is amended—

5 (1) by amending the heading for title IV (20  
6 U.S.C. 7101 et seq.) to read as follows:

7 **“TITLE IV—PUBLIC SCHOOL**  
8 **CHOICE;**

9 (2) by amending section 4001 to read as fol-  
10 lows:

11 **“SEC. 4001. FINDINGS, POLICY, AND PURPOSE.**

12 “(a) FINDINGS.—Congress makes the following find-  
13 ings:

14 “(1)(A) Charter schools are an integral part of  
15 the educational system in the United States.

16 “(B) Thirty-six States and the District of Co-  
17 lumbia have passed laws authorizing charter  
18 schools.

19 “(C) A Department of Education evaluation of  
20 charter schools shows that 59 percent of charter  
21 schools reported that lack of start-up funds posed a  
22 difficult or very difficult challenge for the school.

23 “(2) State educational agencies and local edu-  
24 cational agencies should hold all schools accountable  
25 for the improved performance of all students, includ-



1 ing students attending charter schools, under State  
2 standards and student assessment measures.

3 “(3) School report cards constitute the key in-  
4 formational component used by parents for effective  
5 public school choice.

6 “(b) POLICY.—Congress declares it to be the policy  
7 of the United States—

8 “(1) to support and stimulate improved public  
9 school performance through increased public elemen-  
10 tary school and secondary school competition and in-  
11 creased Federal financial assistance; and

12 “(2) to provide parents with more choices  
13 among public school options.

14 “(c) PURPOSES.—The purposes of this title are as  
15 follows:

16 “(1) To consolidate public school choice pro-  
17 grams into 1 title.

18 “(2) To increase Federal assistance for charter  
19 schools.

20 “(3) To help parents make better and more in-  
21 formed choices by—

22 “(A) providing continued support and ex-  
23 pansion of charter schools and charter school  
24 districts; and

1           “(B) providing financial assistance to  
2           States and local educational agencies for the de-  
3           velopment of local educational agency and  
4           school report cards.”;

5           (3) by repealing sections 4002 through 4004  
6           (20 U.S.C. 7102, 7104), and part A (20 U.S.C.  
7           7111 et seq.), of title IV;

8           (4) by transferring part A of title V (20 U.S.C.  
9           7201 et seq.) (as amended by subsection (a)) to title  
10          IV and inserting such part A after section 4001;

11          (5) by redesignating sections 5101 through  
12          5112 (20 U.S.C. 7201, 7212) (as transferred by  
13          paragraph (4)) as sections 4101 through 4112, re-  
14          spectively, and by redesignating accordingly the ref-  
15          erences to such sections in part A of title IV (as so  
16          transferred);

17          (6) by transferring part C of title X (20 U.S.C.  
18          8061 et seq.) (as amended by subsection (b)) to title  
19          IV and inserting such part C after part A of title  
20          IV (as transferred by paragraph (4));

21          (7) by redesignating part C of title IV (as  
22          transferred by paragraph (6)) as part B of title IV;  
23          and

24          (8) by redesignating sections 10301 through  
25          10311 (20 U.S.C. 8061, 8067) (as transferred by

1 paragraph (6)) as sections 4201 through 4211, re-  
 2 spectively, and by redesignating accordingly the ref-  
 3 erences to such sections in such part B of title IV  
 4 (as so transferred and redesignated).

5 **SEC. 402. DEVELOPMENT OF PUBLIC SCHOOL CHOICE PRO-**  
 6 **GRAMS; REPORT CARDS.**

7 Title IV (20 U.S.C. 7101 et seq.) is further amended  
 8 by adding at the end the following:

9 **“PART C—DEVELOPMENT OF PUBLIC SCHOOL**  
 10 **CHOICE PROGRAMS**

11 **“SEC. 4301. GRANTS AUTHORIZED.**

12 “(a) IN GENERAL.—From amounts made available to  
 13 carry out this part for a fiscal year under section 4305,  
 14 and not reserved under subsection (b), the Secretary is  
 15 authorized to award grants, on a competitive basis, to local  
 16 educational agencies to enable the local educational agen-  
 17 cies to develop local public school choice programs.

18 “(b) RESERVATION FOR EVALUATION, TECHNICAL  
 19 ASSISTANCE, AND DISSEMINATION.—From the amount  
 20 appropriated under section 4305 for any fiscal year, the  
 21 Secretary may reserve not more than 5 percent to carry  
 22 out evaluations under subsection (c), to provide technical  
 23 assistance, and to disseminate information.

24 “(c) EVALUATIONS.—The Secretary may use funds  
 25 reserved under subsection (b) to carry out 1 or more eval-

uations of programs assisted under this part, which shall,  
at a minimum, address—

“(1) how, and the extent to which, the programs supported with funds under this part promote educational equity and excellence; and

“(2) the extent to which public schools of choice supported with funds under this part are—

“(A) held accountable to the public;

“(B) effective in improving public education; and

“(C) open and accessible to all students.

“(d) DURATION.—Grants under this part may be awarded for a period not to exceed 3 years.

**“SEC. 4302. DEFINITION OF HIGH-POVERTY LOCAL EDUCATIONAL AGENCY.**

“In this part, the term ‘high-poverty local educational agency’ means a local educational agency in which the percentage of children, ages 5 to 17, from families with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved for the most recent fiscal year for which satisfactory data are available is 20 percent or greater.

1 **“SEC. 4303. USES OF FUNDS.**

2 “(a) IN GENERAL.—

3 “(1) PUBLIC SCHOOL CHOICE.—Funds under  
4 this part may be used to demonstrate, develop, im-  
5 plement, evaluate, and disseminate information on  
6 innovative approaches to promote public school  
7 choice, including the design and development of new  
8 public school choice options, the development of new  
9 strategies for overcoming barriers to effective public  
10 school choice, and the design and development of  
11 public school choice systems that promote high  
12 standards for all students and the continuous im-  
13 provement of all public schools.

14 “(2) INNOVATIVE APPROACHES.—Such ap-  
15 proaches at the school, local educational agency, and  
16 State levels may include—

17 “(A) inter-district or intra-district ap-  
18 proaches to public school choice, including ap-  
19 proaches that increase equal access to high-  
20 quality educational programs and diversity in  
21 schools;

22 “(B) public elementary and secondary pro-  
23 grams that involve partnerships with institu-  
24 tions of higher education and that are located  
25 on the campuses of those institutions;

1           “(C) programs that allow students in pub-  
2           lic secondary schools to enroll in postsecondary  
3           courses and to receive both secondary and post-  
4           secondary academic credit;

5           “(D) worksite satellite schools, in which  
6           State or local educational agencies form part-  
7           nerships with public or private employers, to  
8           create public schools at parents’ places of em-  
9           ployment; and

10           “(E) approaches to school desegregation  
11           that provide students and parents choice  
12           through strategies other than magnet schools.

13           “(b) LIMITATIONS.—Funds under this part—

14           “(1) shall supplement, and not supplant, non-  
15           Federal funds expended for existing public school  
16           choice programs; and

17           “(2) may be used for providing transportation  
18           services or costs, except that not more than 10 per-  
19           cent of the funds received under this part shall be  
20           used by the local educational agency to provide such  
21           services or costs.

22           **“SEC. 4304. GRANT APPLICATION; PRIORITIES.**

23           “(a) APPLICATION REQUIRED.—A State or local edu-  
24           cational agency desiring to receive a grant under this part  
25           shall submit an application to the Secretary.

1       “(b) APPLICATION CONTENTS.—Each application  
2 shall include—

3               “(1) a description of the program for which  
4 funds are sought and the goals for such program;

5               “(2) a description of how the program funded  
6 under this part will be coordinated with, and will  
7 complement and enhance, programs under other re-  
8 lated Federal and non-Federal projects;

9               “(3) if the program includes partners, the name  
10 of each partner and a description of the partner’s  
11 responsibilities;

12               “(4) a description of the policies and procedures  
13 the applicant will use to ensure—

14                       “(A) its accountability for results, includ-  
15 ing its goals and performance indicators; and

16                       “(B) that the program is open and acces-  
17 sible to, and will promote high academic stand-  
18 ards for, all students; and

19               “(5) such other information as the Secretary  
20 may require.

21       “(c) PRIORITIES.—

22               “(1) LOW-PERFORMING LOCAL EDUCATIONAL  
23 AGENCIES.—First, the Secretary shall give priority  
24 to low performing local educational agencies.

1           “(2) HIGH-POVERTY AGENCIES.—Second, the  
2       Secretary shall give priority to applications for  
3       projects that serve high-poverty local educational  
4       agencies.

5           “(3) PARTNERSHIPS.—The Secretary may give  
6       a priority to applications demonstrating that the ap-  
7       plicant will carry out the applicant’s project in part-  
8       nership with 1 or more public and private agencies,  
9       organizations, and institutions, including institutions  
10      of higher education and public and private employ-  
11      ers.

12   **“SEC. 4305. AUTHORIZATION OF APPROPRIATIONS.**

13       “There are authorized to be appropriated to carry out  
14   this part \$200,000,000 for fiscal year 2002 and such sums  
15   as may be necessary for each of the 4 succeeding fiscal  
16   years.

17                   **“PART D—REPORT CARDS**

18   **“SEC. 4401. REPORT CARDS.**

19       “(a) GRANTS AUTHORIZED.—The Secretary shall  
20   award a grant, from allotments under subsection (b), to  
21   each State having a State report card meeting the require-  
22   ments described in subsection (g), to enable the State an-  
23   nually to publish report cards for each elementary school  
24   and secondary school that receives funding under this Act  
25   and is served by the State.



1 “(b) RESERVATIONS AND ALLOTMENTS.—

2 “(1) RESERVATIONS.—From the amount appro-  
3 priated under subsection (e) to carry out this part  
4 for each fiscal year, the Secretary shall reserve—

5 “(A)  $\frac{1}{2}$  of 1 percent of such amount for  
6 payments to the Secretary of the Interior for  
7 activities approved by the Secretary, consistent  
8 with this part, in schools operated or supported  
9 by the Bureau of Indian Affairs, on the basis  
10 of their respective needs for assistance under  
11 this part; and

12 “(B)  $\frac{1}{2}$  of 1 percent of such amount for  
13 payments to outlying areas, to be allotted in ac-  
14 cordance with their respective needs for assist-  
15 ance under this part, as determined by the Sec-  
16 retary, for activities, approved by the Secretary,  
17 consistent with this part.

18 “(2) STATE ALLOTMENTS.—From the amount  
19 appropriated under subsection (e) for a fiscal year  
20 and remaining after the Secretary makes reserva-  
21 tions under paragraph (1), the Secretary shall allot  
22 to each State having a State report card meeting the  
23 requirements described in subsection (g) an amount  
24 that bears the same relationship to the remainder as  
25 the number of public school students enrolled in ele-

1       mentary schools and secondary schools in the State  
2       bears to the number of such students so enrolled in  
3       all States.

4       “(c) WITHIN-STATE ALLOCATIONS.—Each State  
5       educational agency receiving a grant under subsection (a)  
6       shall allocate the grant funds that remain after making  
7       the reservation described in subsection (d) to each local  
8       educational agency in the State in an amount that bears  
9       the same relationship to the remainder as the number of  
10      public school students enrolled in elementary schools and  
11      secondary schools served by the local educational agency  
12      bears to the number of such students so enrolled in all  
13      local educational agencies within the State.

14      “(d) STATE RESERVATION OF FUNDS.—Each State  
15      educational agency receiving a grant under subsection (a)  
16      may reserve—

17           “(1) not more than 10 percent of the grant  
18      funds to carry out activities described under sub-  
19      sections (f) and (g), and (i)(1) for fiscal year 2002;  
20      and

21           “(2) not more than 5 percent of the grant  
22      funds to carry out activities described under sub-  
23      sections (f) and (g), and (i)(1) for fiscal year 2003  
24      and each of the 3 succeeding fiscal years.

1       “(e) AUTHORIZATION OF APPROPRIATIONS.—There  
2 are authorized to be appropriated to carry out this part  
3 \$5,000,000 for fiscal year 2002 and such sums as may  
4 be necessary for each of the 4 succeeding fiscal years.

5       “(f) ANNUAL STATE REPORT.—

6           “(1) REPORTS REQUIRED.—

7               “(A) IN GENERAL.—Except as provided in  
8 paragraph (3), not later than the beginning of  
9 the 2002–2003 school year, a State that re-  
10 ceives assistance under this Act shall prepare  
11 and disseminate an annual report on all public  
12 elementary schools and secondary schools with-  
13 in the State that receive funds under this Act.

14           “(B) STATE REPORT CARDS ON EDU-  
15 CATION.—In the case of a State that publishes  
16 State report cards on education, the State shall  
17 include in such report cards the information de-  
18 scribed in subsection (g).

19           “(C) REPORT CARDS ON ALL PUBLIC  
20 SCHOOLS.—In the case of a State that pub-  
21 lishes a report card on all public elementary  
22 schools and secondary schools in the State, the  
23 State shall include, at a minimum, the informa-  
24 tion described in subsection (g) for all public  
25 schools that receive funds under this Act.

1 “(2) IMPLEMENTATION; REQUIREMENTS.—

2 “(A) IMPLEMENTATION.—The State shall  
3 ensure implementation at all levels of the report  
4 cards described in paragraph (1).

5 “(B) REQUIREMENTS.—Annual report  
6 cards under this part shall be—

7 “(i) concise; and

8 “(ii) presented in a format and man-  
9 ner that parents can understand including,  
10 to the extent practicable, in a language the  
11 parents can understand.

12 “(3) PUBLICATION THROUGH OTHER MEANS.—

13 In the event that the State provides no such report  
14 card, the State shall, not later than the beginning of  
15 the 2002–2003 school year, publicly report the infor-  
16 mation described in subsection (g) for all public  
17 schools that receive funds under this Act.

18 “(g) CONTENT OF ANNUAL STATE REPORTS.—

19 “(1) REQUIRED INFORMATION.—Each State de-  
20 scribed in subsection (f)(1)(A), at a minimum, shall  
21 include in the annual State report information on  
22 each local educational agency and public school that  
23 receives funds under this Act, including information  
24 regarding—

1           “(A) student performance on statewide as-  
2           sessments for the year for which the annual  
3           State report is made, and the preceding year, in  
4           at least English language arts and mathe-  
5           matics, including—

6                   “(i) a comparison of the proportions  
7                   of students who performed at the basic,  
8                   proficient, and advanced levels in each sub-  
9                   ject area, for each grade level at which as-  
10                  sessments are required under title I, with  
11                  proportions in each of the same 3 levels at  
12                  the same grade levels in the previous  
13                  school year;

14                   “(ii) a statement on the 3-year trend  
15                   in the percentage of students performing  
16                   at the basic, proficient, and advanced levels  
17                   in each subject area, for each grade level  
18                   for which assessments are required under  
19                   title I; and

20                   “(iii) a statement of the percentage of  
21                   students not tested and a listing of cat-  
22                   egories of the reasons why such students  
23                   were not tested;

1           “(B) student retention rates in grades, the  
2           number of students completing advanced place-  
3           ment courses, and 4-year graduation rates;

4           “(C) the professional qualifications of  
5           teachers in the aggregate, including the per-  
6           centage of teachers teaching with emergency or  
7           provisional credentials, the percentage of class  
8           sections not taught by fully qualified teachers,  
9           and the percentage of teachers who are fully  
10          qualified; and

11          “(D) the professional qualifications of  
12          paraprofessionals in the aggregate, the number  
13          of paraprofessionals in the aggregate, and the  
14          ratio of paraprofessionals to teachers in the  
15          classroom.

16          “(2) STUDENT DATA.—Student data in each re-  
17          port shall contain disaggregated results for the fol-  
18          lowing categories:

19                  “(A) Racial and ethnic groups.

20                  “(B) Gender.

21                  “(C) Economically disadvantaged students,  
22                  as compared to students who are not economi-  
23                  cally disadvantaged.

1           “(D) Students with limited English pro-  
2           ficiency, as compared to students who are pro-  
3           ficient in English.

4           “(E) migrant status; and

5           “(F) students who are disabled, as com-  
6           pared to students who are not disabled.

7           “(3) OPTIONAL INFORMATION.—A State may  
8           include in the State annual report any other infor-  
9           mation the State determines appropriate to reflect  
10          school quality and school achievement, including by  
11          grade level information on average class size and in-  
12          formation on school safety, such as the incidence of  
13          school violence and drug and alcohol abuse, and the  
14          incidence of student suspensions and expulsions.

15          “(4) WAIVER.—The Secretary may grant a  
16          waiver to a State seeking a waiver of the require-  
17          ments of this subsection if the State demonstrates to  
18          the Secretary that—

19                 “(A) the content of existing State report  
20                 cards meets the goals of this part; and

21                 “(B) the State is taking identifiable steps  
22                 to meet the requirements of this subsection.

23          “(h) LOCAL EDUCATIONAL AGENCY AND SCHOOL  
24          REPORT CARDS.—

25                 “(1) REPORT REQUIRED.—

1           “(A) IN GENERAL.—The State shall ensure  
2           that each local educational agency, public ele-  
3           mentary school, or public secondary school that  
4           receives funds under this Act, collects appro-  
5           priate data and publishes an annual report card  
6           consistent with this subsection.

7           “(B) REQUIRED INFORMATION.—Each  
8           local educational agency, elementary school, and  
9           secondary school described in subparagraph  
10          (A), at a minimum, shall include in its annual  
11          report card—

12               “(i) the information described in sub-  
13               sections (g)(1) and (2) for each local edu-  
14               cational agency and school;

15               “(ii) in the case of a local educational  
16               agency—

17                       “(I) information regarding the  
18                       number and percentage of schools  
19                       identified for school improvement, in-  
20                       cluding schools identified under sec-  
21                       tion 1116 of this Act, served by the  
22                       local educational agency;

23                       “(II) information on the 3-year  
24                       trend in the number and percentage  
25                       of elementary schools and secondary



1 schools identified for school improve-  
2 ment; and

3 “(III) information that shows  
4 how students in the schools served by  
5 the local educational agency perform  
6 on the statewide assessment compared  
7 to students in the State as a whole;

8 “(iii) in the case of an elementary  
9 school or a secondary school—

10 “(I) information regarding  
11 whether the school has been identified  
12 for school improvement; and

13 “(II) information that shows how  
14 the school’s students performed on the  
15 statewide assessment compared to  
16 students in schools served by the same  
17 local educational agency and to all  
18 students in the State; and

19 “(iii) other appropriate information,  
20 whether or not the information is included  
21 in the annual State report.

22 “(2) SPECIAL RULE.—A local educational agen-  
23 cy that issues report cards for all public elementary  
24 schools and secondary schools served by the agency  
25 shall include, at a minimum, the information de-

1       scribed in subsection (g) for all public schools that  
2       receive funds under this Act.

3       “(i) DISSEMINATION AND ACCESSIBILITY OF RE-  
4       PORTS AND REPORT CARDS.—

5               “(1) STATE REPORTS.—State annual reports  
6       under subsection (g) shall be disseminated to all ele-  
7       mentary schools, secondary schools, and local edu-  
8       cational agencies in the State, and made broadly  
9       available to the public through means such as post-  
10      ing on the Internet and distribution to the media,  
11      and through public agencies.

12             “(2) LOCAL REPORT CARDS.—Local educational  
13      agency report cards under subsection (h) shall be  
14      disseminated to all elementary schools and secondary  
15      schools served by the local educational agency and to  
16      all parents of students attending such schools, and  
17      made broadly available to the public through means  
18      such as posting on the Internet and distribution to  
19      the media, and through public agencies.

20             “(3) SCHOOL REPORT CARDS.—Elementary  
21      school and secondary school report cards under sub-  
22      section (h) shall be disseminated to all parents of  
23      students attending that school, and made broadly  
24      available to the public, through means such as post-

1 ing on the Internet and distribution to the media,  
2 and through public agencies.

3 “(j) PARENTS RIGHT-TO-KNOW.—

4 “(1) QUALIFICATIONS.—A local educational  
5 agency that receives funds part A of title I or part  
6 A of title II shall provide, upon request, in an under-  
7 standable and uniform format, to any parent of a  
8 student attending any school receiving funds under  
9 part A of title I or part A of title II, information  
10 regarding the professional qualifications of the stu-  
11 dent’s classroom teachers, including, at a  
12 minimum—

13 “(A) whether the teacher is fully qualified  
14 as defined in section 2002(1) for the grade lev-  
15 els and subject areas in which the teacher pro-  
16 vides instruction;

17 “(B) whether the teacher is teaching under  
18 emergency or other provisional status through  
19 which State certification or licensing criteria  
20 are waived;

21 “(C) the baccalaureate degree major of the  
22 teacher, any other graduate certification or de-  
23 gree held by the teacher, and the field of dis-  
24 cipline of each such certification or degree; and

1           “(D) whether the student is provided serv-  
2           ices by paraprofessionals, and the qualifications  
3           of any such paraprofessional.

4           “(2) ADDITIONAL INFORMATION.—In addition  
5           to the information that parents may request under  
6           paragraph (1), and the information provided in re-  
7           port cards under this part, a school that receives  
8           funds under part A of title I or part A of title II  
9           shall provide, to the extent practicable, to each indi-  
10          vidual parent or guardian—

11           “(A) information on the level of perform-  
12           ance of the individual student, for whom they  
13           are the parent or guardian, in each of the State  
14           assessments as required under part A of title I;  
15           and

16           “(B) timely notice that the student, for  
17           whom they are the parent or guardian, was as-  
18           signed or taught for 2 or more consecutive  
19           weeks by a substitute teacher or by a teacher  
20           not fully qualified.

21           “(k) COORDINATION OF STATE PLAN CONTENT.—A  
22           State shall include in its plan under part A of title I or  
23           part A of title II, an assurance that the State has in effect  
24           a policy that meets the requirements of this section.

1       “(l) PRIVACY.—Information collected under this sec-  
 2       tion shall be collected and disseminated in a manner that  
 3       protects the privacy of individuals.

4       “(m) DEFINITION.—The term ‘State’ means each of  
 5       the several States of the United States, the District of  
 6       Columbia, and the Commonwealth of Puerto Rico.

## 7                   **TITLE V—IMPACT AID**

### 8       **SEC. 501. PAYMENTS RELATING TO FEDERAL ACQUISITION** 9                   **OF REAL PROPERTY.**

10       Section 8002 (20 U.S.C. 7702), as amended by sec-  
 11       tion 1803 of the Floyd D. Spence National Defense Au-  
 12       thorization Act for Fiscal Year 2001 (Public Law 106–  
 13       398), is amended—

14               (1) in subsection (h)(4), by striking subpara-  
 15       graph (B) and inserting the following:

16               “(B) the Secretary shall make a payment  
 17               to each local educational agency that is eligible  
 18               to receive a payment under this section for the  
 19               fiscal year involved in an amount that bears the  
 20               same relation to 75 percent of the remainder as  
 21               a percentage share determined for the local  
 22               educational agency (as determined by dividing  
 23               the maximum amount that such agency is eligi-  
 24               ble to receive under subsection (b)(1)(C) by the  
 25               total maximum amounts that all such local edu-

1           cational agencies are eligible to receive under  
2           such subsection) bears to the percentage share  
3           determined (in the same manner) for all local  
4           educational agencies eligible to receive a pay-  
5           ment under this section for the fiscal year in-  
6           volved, except that for purposes of calculating a  
7           local educational agency's maximum payment,  
8           data from the most current fiscal year shall be  
9           used.”; and

10          (2) by adding at the end the following:

11          “(n) LOSS OF ELIGIBILITY.—

12                 “(1) IN GENERAL.—Notwithstanding any other  
13           provision of this section, the Secretary shall make  
14           the following minimum payments for each fiscal year  
15           to each local educational agency described in para-  
16           graph (2):

17                         “(A) For the first fiscal year following the  
18           loss of eligibility (as described in paragraph  
19           (2)), an amount equal to 90 percent of the  
20           amount received in the final fiscal year of eligi-  
21           bility.

22                         “(B) For the second fiscal year following  
23           the loss of eligibility (as described in paragraph  
24           (2)), an amount equal to 75 percent of the

1 amount received in the final fiscal year of eligi-  
2 bility.

3 “(C) For the third fiscal year following the  
4 loss of eligibility (as described in paragraph  
5 (2)), an amount equal to 50 percent of the  
6 amount received in the final fiscal year of eligi-  
7 bility.

8 “(2) ELIGIBLE LOCAL EDUCATIONAL AGEN-  
9 CIES.—A local educational agency described in this  
10 paragraph is an agency that—

11 “(A) was eligible for, and received, a pay-  
12 ment under this section for fiscal year 2002;  
13 and

14 “(B) beginning in fiscal year 2003, is no  
15 longer eligible for payments under this section  
16 as provided for in subsection (a)(1)(C) as a re-  
17 sult of the transfer of the Federal property in-  
18 volved to a non-Federal entity.”.

19 **SEC. 502. REPEAL OF SPECIAL RULE RELATING TO THE**  
20 **COMPUTATION OF PAYMENTS FOR ELIGIBLE**  
21 **FEDERALLY CONNECTED CHILDREN.**

22 Section 8003(a) (20 U.S.C. 7703(a)) is amended by  
23 striking paragraph (3).

1 **SEC. 503. EXTENSION OF AUTHORIZATION OF APPROPRIA-**  
2 **TIONS.**

3 Section 8014 (20 U.S.C. 7714), as amended by sec-  
4 tion 1817 of the Floyd D. Spence National Defense Au-  
5 thorization Act for Fiscal Year 2001 (Public Law 106–  
6 398), is amended—

7 (1) in subsection (a), by striking “three suc-  
8 ceeding” and inserting “six succeeding”;

9 (2) in subsection (b), by striking “three suc-  
10 ceeding” and inserting “six succeeding”;

11 (3) in subsection (c), by striking “three suc-  
12 ceeding” and inserting “six succeeding”;

13 (4) in subsection (e), by striking “three suc-  
14 ceeding” and inserting “six succeeding”;

15 (5) in subsection (f), by striking “three suc-  
16 ceeding” and inserting “six succeeding”; and

17 (6) in subsection (g), by striking “three suc-  
18 ceeding” and inserting “six succeeding”.

19 **SEC. 504. REPEALS, TRANSFERS, AND REDESIGNATIONS.**

20 The Act (20 U.S.C. 6301 et seq.) is amended—

21 (1) by repealing title V (20 U.S.C. 7201 et  
22 seq.);

23 (2) by redesignating title VIII (20 U.S.C. 7701  
24 et seq.) as title V, and transferring the title to follow  
25 title IV (as amended by section 402);



1 (3) by redesignating references to title VIII as  
 2 references to title V (as redesignated and trans-  
 3 ferred by paragraph (2)); and

4 (4) by redesignating sections 8001 through  
 5 8005, and 8007 through 8014 (20 U.S.C. 7701,  
 6 7714) (as transferred by paragraph (2)) as sections  
 7 5001 through 5001, and 5007 through 5014, respec-  
 8 tively, and redesignating accordingly the references  
 9 to such sections 8001 through 8005 and 8007  
 10 through 8014.

11 **TITLE VI—HIGH PERFORMANCE**  
 12 **AND QUALITY EDUCATION**  
 13 **INITIATIVES**

14 **SEC. 601. HIGH PERFORMANCE AND QUALITY EDUCATION**  
 15 **INITIATIVES.**

16 Title VI (20 U.S.C. 7301 et seq.) is amended to read  
 17 as follows:

18 **“TITLE VI—HIGH PERFORMANCE**  
 19 **AND QUALITY EDUCATION**  
 20 **INITIATIVES**

21 **“SEC. 6001. FINDINGS, POLICY, AND PURPOSE.**

22 “(a) FINDINGS.—Congress makes the following find-  
 23 ings:

24 “(1)(A) Congress embraces the view that edu-  
 25 cators most familiar with schools, including school

1       superintendents, principals, teachers, and school  
2       support personnel, have a critical role in knowing  
3       what is needed and how best to meet the educational  
4       needs of students.

5               “(B) Local educational agencies should there-  
6       fore have primary responsibility for deciding how to  
7       implement funds.

8               “(2)(A) Since the Elementary and Secondary  
9       Education Act was first authorized in 1965, the  
10      Federal Government has created numerous grant  
11      programs, each of which was created to address 1  
12      among the myriad challenges and problems facing  
13      education.

14              “(B) Only a few of the Federal grant programs  
15      established before the date of enactment of the Pub-  
16      lic Education Reinvestment, Reinvention, and Re-  
17      sponsibility Act (Three R’s) can be tied to signifi-  
18      cant quantitative results.

19              “(C) Because Federal education dollars are dis-  
20      tributed through a patchwork of programs, with  
21      each program having its own set of requirements  
22      and restrictions, local educational agencies and  
23      schools have found it difficult to leverage funds for  
24      maximum impact.

1           “(D) In many cases, Federal education dollars  
2           distributed through competitive grant programs are  
3           too diffused to provide a true impact at the school  
4           level.

5           “(E) As a result of the Federal elementary and  
6           secondary education policies in place before the date  
7           of enactment of the Public Education Reinvestment,  
8           Reinvention, and Responsibility Act (Three R’s), the  
9           focus of Federal, State, and local educational agen-  
10          cies has been diverted from comprehensive student  
11          achievement to administrative compliance.

12          “(3)(A) Every elementary school and secondary  
13          school should provide a drug- and violence-free  
14          learning environment.

15          “(B) The widespread illegal use of alcohol and  
16          drugs among the Nation’s secondary school stu-  
17          dents, and increasingly among elementary school  
18          students, constitutes a grave threat to students’  
19          physical and mental well-being, and significantly im-  
20          pedes the learning process.

21          “(C) Drug and violence prevention programs  
22          are essential components of a comprehensive strat-  
23          egy to promote school safety, youth development,  
24          and positive school outcomes, and reduce the de-

1 mand for and illegal use of alcohol, tobacco, and  
2 drugs throughout the Nation.

3 “(D) Schools, local organizations, parents, stu-  
4 dents, and communities throughout the Nation have  
5 a special responsibility to work together to combat  
6 the continuing epidemic of violence and illegal drug  
7 use, and should measure the success of programs es-  
8 tablished to address this epidemic against clearly de-  
9 fined goals and objectives.

10 “(E) Drug and violence prevention programs  
11 are most effective when implemented within a re-  
12 search-based, drug and violence prevention frame-  
13 work of proven effectiveness.

14 “(F) Substance abuse and violence are intri-  
15 cately related, and must be dealt with in a holistic  
16 manner.

17 “(4)(A) Technology can produce far greater op-  
18 portunities for all students to meet high learning  
19 standards, promote efficiency and effectiveness in  
20 education, and help immediately and dramatically  
21 reform our Nation’s educational system.

22 “(B) Because most Federal and State edu-  
23 cational technology programs have focused on ac-  
24 quiring educational technologies, rather than empha-  
25 sizing the utilization of those technologies in the

1 classroom and the training and infrastructure re-  
2 quired efficiently to support the technologies, the full  
3 potential of educational technology has rarely been  
4 realized.

5 “(C) The effective use of technology in edu-  
6 cation has been inhibited by the inability of many  
7 State educational agencies and local educational  
8 agencies to invest in and support needed tech-  
9 nologies, and to obtain sufficient resources to seek  
10 expert technical assistance in developing high-quality  
11 professional development activities for teachers and  
12 keeping pace with the rapid technological advances.

13 “(D) To remain competitive in the global econ-  
14 omy, which is increasingly reliant on a workforce  
15 that is comfortable with technology and able to inte-  
16 grate rapid technological changes into production  
17 processes, it is imperative that our Nation maintain  
18 a work-ready labor force.

19 “(b) POLICY.—Congress declares it to be the policy  
20 of the United States—

21 “(1) to facilitate significant innovation in ele-  
22 mentary school and secondary school education pro-  
23 grams;

1           “(2) to enrich the learning environment of stu-  
2           dents and expand learning opportunity for students,  
3           including longer school days and school years;

4           “(3) to provide a safe learning environment for  
5           all students;

6           “(3) to ensure that all students are techno-  
7           logically literate; and

8           “(4) to assist State educational agencies and  
9           local educational agencies in building the agencies’  
10          capacity to establish, implement, and sustain innova-  
11          tive programs for public elementary and secondary  
12          school students.

13          “(c) PURPOSES.—The purposes of this title are as  
14          follows:

15               “(1) To provide supplementary assistance for  
16               school improvement to elementary schools, secondary  
17               schools, and local educational agencies—

18                       “(A) that have been or are at risk of being  
19                       identified as being in need of improvement, as  
20                       defined in section 1116 (c) and (d), to carry out  
21                       activities (as described in such schools’ or agen-  
22                       cies’ improvement plans developed under such  
23                       section) that are designed to remedy the cir-  
24                       cumstances that caused such schools or agen-

1           cies to be identified as in need of improvement;  
2           or

3           “(B) to improve core content curriculum  
4           and instructional practices and materials in  
5           core subject areas to ensure that all students  
6           are at the proficient standard level within 10  
7           years of the date of enactment of the Public  
8           Education Reinvestment, Reinvention, and Re-  
9           sponsibility Act (Three R’s).

10          “(2) To provide assistance to local educational  
11          agencies and schools for innovative programs and  
12          activities that will transform schools into 21st cen-  
13          tury opportunities for students by—

14               “(A) creating a challenging learning envi-  
15               ronment and facilitating academic enrichment  
16               through innovative academic programs; or

17               “(B) providing extra learning, time, and  
18               opportunities for students.

19          “(3) To provide assistance to local educational  
20          agencies, schools, and communities to strengthen ex-  
21          isting programs or develop and implement new pro-  
22          grams based on proven researched-based strategies  
23          that create safe learning environments by—

1           “(A) preventing violence and other high-  
2           risk behavior from occurring in and around  
3           schools; and

4           “(B) preventing the illegal use of alcohol,  
5           tobacco, and drugs among students.

6           “(4) To create New Economy Technology  
7           Schools (NETs) by providing assistance to local edu-  
8           cational agencies and schools for—

9           “(A) the acquisition, development, inter-  
10          connection, implementation, improvement, and  
11          maintenance of an effective educational tech-  
12          nology infrastructure;

13          “(B) the acquisition and maintenance of  
14          technology equipment and the provision of  
15          training in the use of such equipment for teach-  
16          ers, school library and media personnel, and ad-  
17          ministrators;

18          “(C) the acquisition or development of  
19          technology-enhanced curricula and instructional  
20          materials that are aligned with challenging  
21          State content and student performance stand-  
22          ards; and

23          “(D) the acquisition or development and  
24          implementation of high-quality professional de-  
25          velopment for teachers in the use of technology



1           and its integration with challenging State con-  
2           tent and student performance standards.

3   **“SEC. 6002. DEFINITIONS.**

4           “In this title:

5           “(1) AUTHENTIC TASK.—The term ‘authentic  
6           task’ means a real world task that—

7                   “(A) is challenging, meaningful, multidisci-  
8                   plinary, and interactive;

9                   “(B) involves reasoning, problem solving,  
10                  and composition; and

11                  “(C) is not a discrete component skill that  
12                  has no obvious connection with students’ activi-  
13                  ties outside of school.

14           “(2) STATE.—The term ‘State’ means each of  
15           the several States, the District of Columbia, and the  
16           Commonwealth of Puerto Rico.

17   **“SEC. 6003. PROGRAMS AUTHORIZED.**

18           “(a) GRANTS AUTHORIZED.—From the amount ap-  
19           propriated under section 6009 for a fiscal year, the Sec-  
20           retary shall award a grant to each State educational agen-  
21           cy having a State plan approved under section 6005(a)(4)  
22           to enable the State educational agency to award grants  
23           to local educational agencies in the State.

24           “(b) RESERVATIONS AND ALLOTMENTS.—

1           “(1) RESERVATIONS.—From the amount appro-  
2           priated under section 6009 for a fiscal year, the Sec-  
3           retary shall reserve—

4                   “(A) not more than  $\frac{1}{2}$  of 1 percent of  
5           such amount for payments to the Bureau of In-  
6           dian Affairs for activities, approved by the Sec-  
7           retary, consistent with this title;

8                   “(B) not more than  $\frac{1}{2}$  of 1 percent of  
9           such amounts for payments to outlying areas,  
10          to be allotted in accordance with their respec-  
11          tive needs for assistance under this title as de-  
12          termined by the Secretary, for activities, ap-  
13          proved by the Secretary, consistent with this  
14          title; and

15                  “(C) such sums as may be necessary to  
16          continue to support any multiyear award made  
17          under titles III, IV, V (part B), or X (as such  
18          titles were in effect on the day preceding the  
19          date of enactment of the Public Education Re-  
20          investment, Reinvention, and Responsibility Act  
21          (Three R’s)) until the completion of the  
22          multiyear award.

23           “(2) STATE ALLOTMENTS.—

24                   “(A) IN GENERAL.—From the amount ap-  
25          propriated under section 6009 for a fiscal year

1           and remaining after the Secretary makes res-  
2           ervations under paragraph (1), the Secretary  
3           shall allot to each State having a State plan ap-  
4           proved under section 6005(a)(4) the sum of—

5                   “(i) an amount that bears the same  
6                   relationship to 50 percent of the remainder  
7                   as the amount the State received under  
8                   part A of title I bears to the amount all  
9                   States received under such part; and

10                   “(ii) an amount that bears the same  
11                   relationship to 50 percent of the remainder  
12                   as the school-age population in the State  
13                   bears to the school-age population in all  
14                   States.

15                   “(B) DATA.—For the purposes of deter-  
16                   mining the school-age population in a State and  
17                   in all States, the Secretary shall use the latest  
18                   available Bureau of the Census data.

19                   “(c) STATE MINIMUM.—For any fiscal year, no State  
20                   shall be allotted under this section an amount that is less  
21                   than 0.4 percent of the total amount allotted to all States  
22                   under subsection (b)(2).

23                   “(d) HOLD-HARMLESS AMOUNTS.—For fiscal year  
24                   2002, notwithstanding subsection (e), the amount allotted  
25                   to each State under this section shall be not less than 100

1 percent of the total amount the State was allotted in for-  
 2 mula grants under titles III, IV, and VI (as such titles  
 3 were in effect on the day preceding the date of enactment  
 4 of the Public Education Reinvestment, Reinvention, and  
 5 Responsibility Act (Three R's)) for the preceding fiscal  
 6 year.

7       “(e) Ratable Reductions.—If the sums made  
 8 available under subsection (b)(2)(A) for any fiscal year are  
 9 insufficient to pay the full amounts that all State edu-  
 10 cational agencies are eligible to receive under that sub-  
 11 section for such year, the Secretary shall ratably reduce  
 12 such amounts for such year.

13 **“SEC. 6004. WITHIN STATE ALLOCATION.**

14       “(a) Short Title.—Each State educational agency  
 15 for a State receiving a grant award under section  
 16 6003(b)(2) shall—

17               “(1) set aside not more than 1 percent of the  
 18 grant funds for the cost of administering the activi-  
 19 ties under this title;

20               “(2) set aside not more than 4 percent of the  
 21 grant funds to—

22                       “(A) provide for the establishment of high-  
 23 quality, internationally competitive content and  
 24 student performance standards and strategies  
 25 that all students will be expected to meet;

1           “(B) provide for the establishment of high-  
2           quality, rigorous assessments that include mul-  
3           tiple measures and demonstrate comprehensive  
4           knowledge;

5           “(C) encourage and enable all State edu-  
6           cational agencies and local educational agencies  
7           to develop, implement, and strengthen com-  
8           prehensive education improvement plans that  
9           address student achievement, teacher quality,  
10          parent involvement, and reliable measurement  
11          and evaluation methods; and

12          “(D) encourage and enable all States to  
13          develop and implement value-added assess-  
14          ments, including model value-added assessments  
15          identified by the Secretary under section  
16          7004(a)(6); and

17          “(3) using the remaining 95 percent of the  
18          grant funds, make grants by allocating to each local  
19          educational agency in the State having a local edu-  
20          cational agency plan approved under section  
21          6005(b)(3) the sum of—

22               “(A) an amount that bears the same rela-  
23               tionship to 60 percent of such remainder as the  
24               amount the local educational agency received  
25               under part A of title I bears to the amount all

1 local educational agencies in the State received  
2 under such part; and

3 “(B) an amount that bears the same rela-  
4 tionship to 40 percent of such remainder as the  
5 school-age population in the area served by the  
6 local educational agency bears to the school-age  
7 population in the area served by all local edu-  
8 cational agencies in the State.

9 “(b) MATCHING REQUIREMENT.—

10 “(1) IN GENERAL.—Each eligible local edu-  
11 cational agency receiving a grant under subsection  
12 (a) shall contribute resources with respect to the  
13 local authorized activities to be assisted under this  
14 title in case or in-kind from non-Federal sources in  
15 an amount equal to 25 percent of the Federal funds  
16 awarded under the grant.

17 “(2) WAIVER.—A State educational agency may  
18 grant a waiver of the requirements of paragraph (1)  
19 to a local educational agency that—

20 “(A) applies for such a waiver; and

21 “(B) demonstrates extreme circumstances  
22 for being unable to meet such requirements.

23 **“SEC. 6005. PLANS.**

24 “(a) STATE PLANS.—

1           “(1) IN GENERAL.—The State educational  
2           agency for each State desiring a grant under this  
3           title shall submit a State plan to the Secretary at  
4           such time, in such manner, and accompanied by  
5           such information as the Secretary may require.

6           “(2) CONSOLIDATED PLAN.—A State plan sub-  
7           mitted under paragraph (1) may be submitted as  
8           part of a consolidated plan under section 8302.

9           “(3) CONTENTS.—Each plan submitted under  
10          paragraph (1) shall—

11               “(A) describe how the State educational  
12               agency will assist each local educational agency  
13               and school served under this title to comply  
14               with the requirements described in section 6006  
15               that are applicable to the local educational  
16               agency or school;

17               “(B) certify that the State has in place the  
18               standards and assessments required under sec-  
19               tion 1111;

20               “(C) certify that the State educational  
21               agency has a system, as required under section  
22               1111, for—

23                       “(i) holding each local educational  
24                       agency and school accountable for ade-

1           quate yearly progress (as defined in section  
2           1111(b)(2)(B));

3           “(ii) identifying local educational  
4           agencies and schools that are in need of  
5           improvement and corrective action (as re-  
6           quired in sections 1116 and 1117);

7           “(iii) assisting local educational agen-  
8           cies and schools that are identified for im-  
9           provement with the development of im-  
10          provement plans; and

11          “(iv) providing technical assistance,  
12          professional development, and other capac-  
13          ity building as needed to get such agencies  
14          and schools out of improvement status;

15          “(D) certify that the State educational  
16          agency shall use the disaggregated results of  
17          student assessments required under section  
18          1111(b)(4), and other measures or indicators  
19          available, to review annually the progress of  
20          each local educational agency and school served  
21          under this title to determine whether or not  
22          each such agency and school is making ade-  
23          quate yearly progress as required under section  
24          1111;



1           “(E) certify that the State educational  
2           agency will take action against a local edu-  
3           cational agency that is in corrective action and  
4           receiving funds under this title as described in  
5           section 6006(d)(1);

6           “(F) describe what, if any, State and other  
7           resources will be provided to local educational  
8           agencies and schools served under this title to  
9           carry out activities consisted with this title; and

10          “(G) certify that the State educational  
11          agency has a system to hold local educational  
12          agencies accountable for meeting the annual  
13          performance objectives required under sub-  
14          section (b)(2)(C).

15          “(4) APPROVAL.—The Secretary, using a peer  
16          review process, shall approve a State plan if the  
17          State plan meets the requirements of this sub-  
18          section.

19          “(5) DURATION OF THE PLAN.—Each State  
20          plan shall remain in effect for the duration of the  
21          State’s participation under this title.

22          “(6) REQUIREMENT.—A State shall not be eli-  
23          gible to receive funds under this title unless the  
24          State has established the standards and assessments  
25          required under section 1111.

1 “(b) LOCAL PLANS.—

2 “(1) IN GENERAL.—Each local educational  
3 agency shall annually submit a local educational  
4 agency plan to the State educational agency at such  
5 time, in such manner, and accompanied by such in-  
6 formation as the State educational agency may re-  
7 quire.

8 “(2) CONTENTS.—Each local educational agen-  
9 cy shall—

10 “(A) describe the programs for which  
11 funds allocated under section 6004(3) will be  
12 used and the reasons for the selection of such  
13 programs;

14 “(B) describe the methods the local edu-  
15 cational agency will use to measure the annual  
16 impact of programs described under subpara-  
17 graph (A) and the extent to which such pro-  
18 grams will increase student academic perform-  
19 ance;

20 “(C) describe the annual, quantifiable, and  
21 measurable performance goals and objectives  
22 for each program described under subparagraph  
23 (A) and the extent to which such goals and ob-  
24 jectives are aligned with State content and stu-  
25 dent performance standards;

1           “(D) describe how the local educational  
2           agency will hold schools accountable for meeting  
3           the intended performance objectives for each  
4           program described under subparagraph (C);

5           “(E) provide an assurance that the local  
6           educational agency has met the local plan re-  
7           quirements described in section 1112 for—

8                   “(i) holding schools accountable for  
9                   adequate yearly progress, including meet-  
10                  ing annual numerical goals for improving  
11                  the performance of all groups of students  
12                  based on the student performance stand-  
13                  ards set by the State under section  
14                  1111(b)(1)(D)(ii);

15                  “(ii) identifying schools for school im-  
16                  provement or corrective action;

17                  “(iii) fulfilling the local educational  
18                  agency’s school improvement responsibil-  
19                  ities described in section 1116, including  
20                  taking corrective actions under section  
21                  1116(c)(10); and

22                  “(iv) providing technical assistance,  
23                  professional development, or other capacity  
24                  building to schools served by the agency;

1           “(F) certify that the local educational  
2           agency will take action against a school that is  
3           in corrective action and receiving funds under  
4           this title as described under section 6006(d)(2);

5           “(G) describe what State and local re-  
6           sources will be contributed to carrying out pro-  
7           grams described under subparagraph (A);

8           “(H) provide assurances that the local edu-  
9           cational agency consulted, at a minimum, with  
10          parents, school board members, teachers, ad-  
11          ministrators, business partners, education orga-  
12          nizations, and community groups to develop the  
13          local educational plan and select the programs  
14          to be assisted under this title; and

15          “(I) provide assurances that the local edu-  
16          cational agency will continue such consultation  
17          on a regular basis and will provide the State  
18          with annual evidence of such consultation.

19          “(3) APPROVAL.—The State, using a peer re-  
20          view process, shall approve a local educational agen-  
21          cy plan if the plan meets the requirements of this  
22          subsection.

23          “(4) DURATION OF THE PLAN.—Each local  
24          educational agency plan shall remain in effect for

1 the duration of the local educational agency's par-  
2 ticipation under this title.

3 “(5) PUBLIC REVIEW.—Each State educational  
4 agency will make publicly available each local edu-  
5 cational agency plan approved under paragraph (3).

6 **“SEC. 6006. LOCAL USES OF FUNDS AND ACCOUNTABILITY.**

7 “(a) ADMINISTRATIVE EXPENSES.—Each local edu-  
8 cational agency receiving a grant award under section  
9 6004(3) may use not more than 1 percent of the grant  
10 funds for any fiscal year for the cost of administering this  
11 title.

12 “(b) REQUIRED ACTIVITIES.—Each local educational  
13 agency receiving a grant award under section 6004(3)  
14 shall use the grant funds pursuant to this subsection to  
15 establish and carry out programs that are designed to  
16 achieve, separately or cumulatively, each of the goals de-  
17 scribed in the category areas described in paragraphs (1)  
18 through (4).

19 “(1) SCHOOL IMPROVEMENT.—Each local edu-  
20 cational agency shall use 30 percent of the grant  
21 funds—

22 “(A) in the case of a school that has been  
23 identified as being in need of improvement  
24 under section 1116(c), for activities or strate-  
25 gies that are described in section 1116(c) that

1 focus on removing such school from improve-  
2 ment status; or

3 “(B) for programs that seek to raise the  
4 academic achievement levels of all elementary  
5 school and secondary school students based on  
6 challenging State content and student perform-  
7 ance standards and, to the greatest extent  
8 possible—

9 “(i) incorporate the best practices de-  
10 veloped from research-based methods and  
11 practices;

12 “(ii) are aligned with challenging  
13 State content and performance standards  
14 and focused on reinforcing and boosting  
15 the core academic skills and knowledge of  
16 students who are struggling academically,  
17 as determined by State assessments under  
18 section 1111(b)(4) and local evaluations;

19 “(iii) focus on accelerated learning  
20 rather than remediation, so that students  
21 will master the high level of skills and  
22 knowledge needed to meet the highest  
23 State standards or to perform at high lev-  
24 els on all State assessments;

1                   “(iv) offer teachers, principals, and  
2                   administrators professional development  
3                   and technical assistance that are aligned  
4                   with the content of such programs; and

5                   “(v) address local needs, as deter-  
6                   mined by the local educational agency’s  
7                   evaluation of school and districtwide data.

8                   “(2) 21ST CENTURY OPPORTUNITIES.—Each  
9                   local educational agency shall use 25 percent of the  
10                  grant funds for—

11                  “(A) programs that provide for extra  
12                  learning, time, and opportunities for students  
13                  so that all students may achieve high levels of  
14                  learning and meet the State proficient standard  
15                  level within 10 years of the date of enactment  
16                  of the Public Education Reinvestment, Reinven-  
17                  tion, and Responsibility Act (Three R’s);

18                  “(B) programs to improve higher order  
19                  thinking skills of all students, especially dis-  
20                  advantaged students;

21                  “(C) promising innovative education re-  
22                  form projects that are consistent with chal-  
23                  lenging State content and student performance  
24                  standards; or

1           “(D) programs that focus on ensuring that  
2           disadvantaged students enter elementary school  
3           with the basic skills needed to meet the highest  
4           State content and student performance stand-  
5           ards.

6           “(3) SAFE LEARNING ENVIRONMENTS.—Each  
7           local educational agency shall use 15 percent of the  
8           grant funds for programs that help ensure that all  
9           elementary school and secondary school students  
10          learn in a safe and supportive environment by—

11           “(A) reducing drugs, violence, and other  
12           high-risk behavior in schools;

13           “(B) providing safe, extended-day opportu-  
14           nities for students;

15           “(C) providing professional development  
16           activities for teachers, principals, mental health  
17           professionals, and guidance counselors in deal-  
18           ing with students exhibiting distress (such as  
19           substance abuse, disruptive behavior, and suici-  
20           dal behavior);

21           “(D) recruiting or retaining high-quality  
22           mental health professionals;

23           “(E) providing character education for stu-  
24           dents; or



1           “(F) providing alternative educational op-  
2           portunity for violent and disruptive students; or

3           “(G) meeting other objectives that are es-  
4           tablished under State standards regarding safe-  
5           ty or that address local community concerns.

6           “(4) NEW ECONOMY TECHNOLOGY SCHOOLS.—

7           “(A) IN GENERAL.—Each local educational  
8           agency shall use 30 percent of the grant funds  
9           to establish technology programs that will  
10          transform schools into New Economy Tech-  
11          nology Schools (NETS) and, to the greatest ex-  
12          tent possible, will—

13               “(i) increase student performance re-  
14               lated to an authentic task;

15               “(ii) integrate the use of technology  
16               into activities that are a core part of class-  
17               room curricula and are available to all stu-  
18               dents;

19               “(iii) emphasize how to use technology  
20               to accomplish authentic tasks;

21               “(iv) provide professional development  
22               and technical assistance to teachers so that  
23               teachers may integrate technology into  
24               daily teaching activities that are directly

1 aligned with State content and student  
2 performance standards; and

3 “(v) enable the local educational agen-  
4 cy annually to increase the percentage of  
5 classrooms with access to technology, par-  
6 ticularly in schools in which not less than  
7 50 percent of the school-age population  
8 comes from families with incomes below  
9 the poverty line (as defined by the Office  
10 of Management and Budget, and revised  
11 annually in accordance with section 673(2)  
12 of the Community Services Block Grant  
13 Act (42 U.S.C. 9902(2))) applicable to a  
14 family of the size involved.

15 “(B) LIMITATION.—Each local educational  
16 agency shall use not more than 50 percent of  
17 the grant funds described in subparagraph (A)  
18 to purchase, upgrade, or retrofit computer  
19 hardware in schools in which not less than 50  
20 percent of the school-age population comes from  
21 families at or below the poverty line, as defined  
22 in subparagraph (A)(v).

23 “(c) TRANSFER OF FUNDS.—Notwithstanding sub-  
24 section (b)—

1           “(1) a local educational agency that meets ade-  
2       quate yearly progress requirements for student per-  
3       formance, as established by the State educational  
4       agency under section 1111, may allocate, at the local  
5       educational agency’s discretion, not more than 30  
6       percent of the grant funds received under section  
7       6004(3) among the 4 funding categories described in  
8       subsection (b);

9           “(2) a local educational agency that exceeds the  
10      adequate yearly progress requirements described in  
11      paragraph (1) by a significant amount, as deter-  
12      mined by the State educational agency, may allocate,  
13      at the local educational agency’s discretion, not more  
14      than 50 percent of the grant funds received under  
15      section 6004(3) among the 4 funding categories de-  
16      scribed in subsection (b); and

17          “(3) a local educational agency that is identi-  
18      fied as in need of improvement, as defined under  
19      section 1117, may apply not more than 25 percent  
20      of the grant funds described in subsection (b) (2),  
21      (3), or (4) to school improvement activities described  
22      in subsection (b)(1).

23          “(d) LIMITATIONS FOR SCHOOLS AND LOCAL EDU-  
24      CATIONAL AGENCIES IN CORRECTIVE ACTION.—

1           “(1) LOCAL EDUCATIONAL AGENCIES IN COR-  
2       RECTIVE ACTION.—If a local educational agency is  
3       identified for corrective action under section  
4       1116(d), the State educational agency shall—

5           “(A) notwithstanding any other provision  
6       of law, specify how the local educational agency  
7       shall spend the grant funds in order to focus  
8       the local educational agency on activities that  
9       will be the most effective in raising student per-  
10      formance levels; and

11          “(B) implement corrective action in ac-  
12      cordance with the provisions for corrective ac-  
13      tion described in section 1116(d).

14          “(2) SCHOOLS IN CORRECTIVE ACTION.—If a  
15      school is identified for corrective action under sec-  
16      tion 1116(c), the local educational agency shall—

17          “(A) specify how the school shall spend  
18      grant funds received under this section in order  
19      to focus on activities that will be the most effec-  
20      tive in raising student performance levels; and

21          “(B) implement corrective action in ac-  
22      cordance with the provisions for corrective ac-  
23      tion described in section 1116(c)(10).

24          “(3) DURATION.—Limitations imposed on  
25      schools and local educational agencies in corrective

1       action under paragraphs (1) and (2) shall remain in  
2       effect until such time as the school or local edu-  
3       cational agency has made sufficient improvement, as  
4       determined by the State educational agency, and is  
5       no longer in corrective action.

6   **“SEC. 6007. STATE AND LOCAL RESPONSIBILITIES.**

7       “(a) DATA REVIEW.—

8               “(1) STATE AND LOCAL REVIEW.—A State edu-  
9       cational agency shall jointly review with a local edu-  
10      cational agency described in section 6006(d)(1) the  
11      local educational agency’s data gathered from stu-  
12      dent assessments and other measures required under  
13      section 1111(b)(4), in order to determine how the  
14      local educational agency shall spend the grant funds  
15      pursuant to section 6006(d)(1)(A) in order to sub-  
16      stantially increase student performance levels.

17              “(1) SCHOOL AND LOCAL REVIEW.—A local  
18      educational agency shall jointly review with a school  
19      described in section 6006(d)(2) the school’s data  
20      gathered from student assessments and other meas-  
21      ures required under section 1111(b)(4), in order to  
22      determine how the school shall spend grant funds  
23      pursuant to section 6006(d)(2) in order to substan-  
24      tially increase student performance levels.

25      “(b) TECHNICAL ASSISTANCE.—

1 “(1) STATE ASSISTANCE.—

2 “(A) A State educational agency shall pro-  
3 vide, upon request by a local educational agency  
4 receiving grant funds under this title, technical  
5 assistance to the local educational agency and  
6 schools served by the local educational agency,  
7 including assistance in analyzing student per-  
8 formance and the impact of programs assisted  
9 under this title and identifying the best instruc-  
10 tional strategies and methods for carrying out  
11 such programs.

12 “(B) State assistance may be provided  
13 by—

14 “(i) the State educational agency; or

15 “(ii) with the local educational agen-  
16 cy’s approval, by an institution of higher  
17 education, a private not-for-profit or for-  
18 profit organization, an educational service  
19 agency, the recipient of a Federal contract  
20 or cooperative agreement as described in  
21 section 7005, a nontraditional entity such  
22 as a corporation or consulting firm, or any  
23 other entity with experience in the pro-  
24 gram area for which the assistance is being  
25 sought.

1 “(2) LOCAL ASSISTANCE.—

2 “(A) A local educational agency shall pro-  
3 vide, upon request by an elementary school or  
4 secondary school served by the agency, technical  
5 assistance to such school, including assistance  
6 in analyzing student performance and the im-  
7 pact of programs assisted under this title, and  
8 identifying the best instructional strategies and  
9 methods for carrying out such programs.

10 “(B) Local assistance may be provided  
11 by—

12 “(i) the State educational agency or  
13 local educational agency; or

14 “(ii) with the school’s approval, by an  
15 institution of higher education, a private  
16 not-for-profit or for-profit organization, an  
17 educational service agency, the recipient of  
18 a Federal contract or cooperative agree-  
19 ment as described in section 7005, a non-  
20 traditional entity such as a corporation or  
21 consulting firm, or any other entity with  
22 experience in the program area for which  
23 the assistance is being sought.

1 **“SEC. 6008. LOCAL REPORTS.**

2 “Each local educational agency receiving funds under  
3 this title shall annually publish and disseminate to the  
4 public in a format and, to the extent practicable, in a lan-  
5 guage that parents can understand, a report on—

6 “(1) information describing the use of funds in  
7 the 4 category areas described in section 6006(b);

8 “(2) the impact of such programs and an as-  
9 sessment of such programs’ effectiveness; and

10 “(3) the local educational agency’s progress to-  
11 ward attaining the goals and objectives described  
12 under section 6005(b), and the extent to which pro-  
13 grams assisted under this title have increased stu-  
14 dent achievement.

15 **“SEC. 6009. AUTHORIZATION OF APPROPRIATIONS.**

16 “There are authorized to be appropriated to carry out  
17 this title \$3,500,000,000 for fiscal year 2002, and such  
18 sums as may be necessary for each of the 4 succeeding  
19 fiscal years.”.

20 **TITLE VII—ACCOUNTABILITY**

21 **SEC. 701. ACCOUNTABILITY.**

22 Title VII of the Act (20 U.S.C. 7401 et seq.) is  
23 amended to read as follows:



1     **“TITLE VII—ACCOUNTABILITY**

2             **“PART A—PERFORMANCE REVIEW**

3     **“SEC. 7001. SANCTIONS.**

4             “(a) THIRD FISCAL YEAR.—If performance objec-  
5 tives established under a covered provision have not been  
6 met by a State receiving grant funds under such provision  
7 by the end of the third fiscal year for which the State  
8 receives such grant funds, the Secretary shall reduce by  
9 50 percent the amount the State is entitled to receive for  
10 administrative expenses under such provision.

11            “(b) FOURTH FISCAL YEAR.—If the State fails to  
12 meet the performance objectives established under a cov-  
13 ered provision by the end of the fourth fiscal year for  
14 which the State receives grant funds under the covered  
15 provision, the Secretary shall reduce the total amount the  
16 State receives under title VI by 30 percent.

17            “(c) DURATION.—If the Secretary determines, under  
18 subsection (a) or (b), that a State failed to meet the per-  
19 formance objectives established under a covered provision  
20 for a fiscal year, the Secretary shall reduce grant funds  
21 in accordance with subsection (a) or (b) for the State for  
22 each subsequent fiscal year until the State demonstrates  
23 that the State met the performance objectives for the fis-  
24 cal year preceding the demonstration.

1       “(d) TECHNICAL ASSISTANCE.—The Secretary shall  
 2 provide technical assistance, if sought, to a State subjected  
 3 to sanctions under subsection (a) or (b).

4       “(e) LOCAL SANCTIONS.—

5           “(1) IN GENERAL.—Each State receiving assist-  
 6 ance under title I, II, III, or VI shall develop a sys-  
 7 tem to hold local educational agencies accountable  
 8 for meeting—

9           “(A) the performance objectives estab-  
 10 lished under part A of title II, part A of title  
 11 III, and title VI; and

12           “(B) the adequate yearly progress require-  
 13 ments established under part A of title I, and  
 14 required under part A of title III and title VI.

15       “(2) SANCTIONS.—A system developed under  
 16 paragraph (c) shall include a mechanism for sanc-  
 17 tioning local educational agencies for low perform-  
 18 ance with regard to failure to meet such perform-  
 19 ance objectives and adequate yearly progress levels.

20       “(f) DEFINITIONS.—In this section:

21           “(1) COVERED PROVISION.—The term ‘covered  
 22 provision’ means part A of title I, part A of title II,  
 23 part A of title III, and section 6005(b)(2)(C).

24           “(2) PERFORMANCE OBJECTIVES.—The term  
 25 ‘performance objectives’ means in the case of—

1 “(A) part A of title I, the adequate yearly  
2 progress levels established under subsections  
3 (b)(2)(A)(iii) and (b)(2)(B) of section 1111;

4 “(B) part A of title II, the set of perform-  
5 ance objectives established in section 2014;

6 “(C) part A of title III, the set of perform-  
7 ance objectives established in section 3109; and

8 “(D) title VI, the set of performance objec-  
9 tives set by each local educational agency in  
10 section 6005(b)(2)(C).

11 **“SEC. 7002. REWARDING HIGH PERFORMANCE.**

12 “(a) STATE REWARDS.—

13 “(1) IN GENERAL.—From amounts appro-  
14 priated under subsection (d), and from amounts  
15 made available as a result of reductions under sec-  
16 tion 7001, the Secretary shall make awards to  
17 States that—

18 “(A) for 3 consecutive years have—

19 “(i) exceeded the States’ performance  
20 objectives established for any title under  
21 this Act;

22 “(ii) exceeded their adequate yearly  
23 progress levels established in section  
24 1111(b);

1           “(iii) significantly narrowed the gaps  
2           between minority and non-minority stu-  
3           dents, and between economically disadvan-  
4           taged and non-economically disadvantaged  
5           students;

6           “(iv) raised all students to the pro-  
7           ficient standard level prior to 10 years  
8           from the date of enactment of the Public  
9           Education Reinvention, Reinvestment, and  
10          Responsibility Act; or

11          “(v) significantly increased the per-  
12          centage of core classes being taught by  
13          fully qualified teachers teaching in schools  
14          receiving funds under part A of title I; or

15          “(B) by not later than fiscal year 2005,  
16          ensure that all teachers teaching in the States’  
17          public elementary schools and secondary schools  
18          are fully qualified.

19          “(2) STATE USE OF FUNDS.—

20          “(A) DEMONSTRATION SITES.—Each State  
21          receiving an award under paragraph (1) shall  
22          use a portion of the award that is not distrib-  
23          uted under subsection (b) to establish dem-  
24          onstration sites with respect to high-performing  
25          schools (based on achievement or performance

1 levels) objectives and adequate yearly progress  
2 in order to help low-performing schools.

3 “(B) IMPROVEMENT OF PERFORMANCE.—  
4 Each State receiving an award under paragraph  
5 (1) shall use the portion of the award that is  
6 not used pursuant to subparagraph (A) or (C)  
7 and is not distributed under subsection (b) for  
8 the purpose of improving the level of perform-  
9 ance of all elementary and secondary school  
10 students in the State, based on State content  
11 and performance standards.

12 “(C) RESERVATION FOR ADMINISTRATIVE  
13 EXPENSES.—Each State receiving an award  
14 under paragraph (1) may set aside not more  
15 than  $\frac{1}{2}$  of 1 percent of the award for the plan-  
16 ning and administrative costs of carrying out  
17 this section, including the costs of distributing  
18 awards to local educational agencies.

19 “(b) LOCAL EDUCATIONAL AGENCY AWARDS.—

20 “(1) IN GENERAL.—Each State receiving an  
21 award under subsection (a)(1) shall distribute 80  
22 percent of the award funds to local educational  
23 agencies in the State that—

24 “(A) for 3 consecutive years have—

1 “(i) exceeded the State-established  
2 local educational agency performance ob-  
3 jectives established for any title under this  
4 Act;

5 “(ii) exceeded the adequate yearly  
6 progress level established under section  
7 1111(b)(2);

8 “(iii) significantly narrowed the gaps  
9 between minority and nonminority stu-  
10 dents, and between economically disadvan-  
11 tagged and noneconomically disadvantaged  
12 students;

13 “(iv) raised all students enrolled in  
14 schools within the local educational agency  
15 to the proficient standard level prior to 10  
16 years from the date of enactment of the  
17 Public Education Reinvestment, Reinven-  
18 tion, and Responsibility Act (Three R’s);  
19 or

20 “(v) significantly increased the per-  
21 centage of core classes being taught by  
22 fully qualified teachers teaching in schools  
23 receiving funds under part A of title I; or

24 “(B) not later than December 31, 2005,  
25 ensured that all teachers teaching in the ele-

1           mentary schools and secondary schools served  
2           by the local educational agencies are fully quali-  
3           fied; or

4           “(C) have attained consistently high  
5           achievement in another area that the State  
6           deems appropriate to reward.

7           “(2) SCHOOL-BASED PERFORMANCE AWARDS.—  
8           A local educational agency may use funds made  
9           available under paragraph (1) for activities such as  
10          school-based performance awards.

11          “(3) RESERVATION FOR ADMINISTRATIVE EX-  
12          PENSES.—Each local educational agency receiving  
13          an award under paragraph (1) may set aside not  
14          more than  $\frac{1}{2}$  of 1 percent of the award for the plan-  
15          ning and administrative costs of carrying out this  
16          section, including the costs of distributing awards to  
17          eligible elementary schools and secondary schools,  
18          teachers, and principals.

19          “(c) SCHOOL REWARDS.—Each local educational  
20          agency receiving an award under subsection (b) shall con-  
21          sult with teachers and principals to develop a reward sys-  
22          tem, and shall use the award funds—

23                 “(1) to reward individual schools that dem-  
24                 onstrate high performance with respect to—

1           “(A) increasing the academic achievement  
2 of all students;

3           “(B) narrowing the academic achievement  
4 gap described in section 1111(b)(2)(B)(vii);

5           “(C) improving teacher quality;

6           “(D) increasing high-quality professional  
7 development for teachers, principals, and ad-  
8 ministrators; or

9           “(E) improving the English proficiency of  
10 limited English proficient students;

11          “(2) to reward collaborative teams of teachers,  
12 or teams of teachers and principals, that—

13           “(A) significantly increase the annual per-  
14 formance of low-performing students; or

15           “(B) significantly improve in a fiscal year  
16 the English proficiency of limited English pro-  
17 ficient students;

18          “(3) to reward principals who successfully raise  
19 the performance of a substantial number of low-per-  
20 forming students to high academic levels;

21          “(4) to develop or implement school district-  
22 wide programs or policies to increase the level of  
23 student performance on State assessments that are  
24 aligned with State content standards; and



1           “(5) to reward schools for consistently high  
2           achievement in another area that the local edu-  
3           cational agency deems appropriate to reward.

4           “(d) AUTHORIZATION OF APPROPRIATIONS.—There  
5           are authorized to be appropriated to carry out this section  
6           \$200,000,000 for fiscal year 2002, and such sums as may  
7           be necessary for each of the 4 succeeding fiscal years.

8           “(e) DEFINITION.—The term ‘low-performing stu-  
9           dent’ means students who are below the basic State stand-  
10          ard level.

11       **“SEC. 7003. SUPPLEMENT NOT SUPPLANT.**

12          “A State educational agency and local educational  
13          agency shall use funds under this title to supplement, and,  
14          not supplant, Federal, State, and local funds that, in the  
15          absence of funds under this title, would otherwise be spent  
16          for activities of the type described in section 7002.

17       **“SEC. 7004. SECRETARY’S ACTIVITIES.**

18          “(a) IN GENERAL.—Notwithstanding any other pro-  
19          vision of this Act, from amounts appropriated under sub-  
20          section (b) and not reserved under subsection (c), the Sec-  
21          retary may—

22               “(1) support activities of the National Board  
23               for Professional Teaching Standards;

24               “(2) study and disseminate information regard-  
25               ing model programs assisted under this Act;

1           “(3) provide training and technical assistance  
2           to States, local educational agencies, elementary  
3           schools and secondary schools, Indian tribes, and  
4           other recipients of grant funds under this Act that  
5           are carrying out activities assisted under this Act,  
6           including entering into contracts or cooperative  
7           agreements with public or private nonprofit entities  
8           or consortia of such entities, in order to provide  
9           comprehensive training and technical assistance re-  
10          lated to the administration and implementation of  
11          activities assisted under this Act;

12           “(4) support activities that will promote sys-  
13          temic education reform at the State and local levels;

14           “(5) award grants or contracts to public or pri-  
15          vate nonprofit entities to enable the entities—

16                   “(A) to develop and disseminate exemplary  
17                   reading, mathematics, science, and technology  
18                   educational practices, and instructional mate-  
19                   rials to States, local educational agencies, and  
20                   elementary schools and secondary schools; and

21                   “(B) to provide technical assistance for the  
22                   implementation of teaching methods and assess-  
23                   ment tools for use by elementary schools and  
24                   secondary school students, teachers, and admin-  
25                   istrators;

1           “(6) disseminate information on models of  
2 value-added assessments;

3           “(7) award a grant or contract to a public or  
4 private nonprofit entity or consortium of such enti-  
5 ties for the development and dissemination of exem-  
6 plary programs and curricula for accelerated and ad-  
7 vanced learning for all students, including gifted and  
8 talented students;

9           “(8) award a grant or contract to public or pri-  
10 vate nonprofit entities to support and promote pro-  
11 grams which include the distribution of inexpensive  
12 books to students and literacy activities that moti-  
13 vate children to read; and

14           “(9) provide assistance to States—

15           “(A) by assisting in the development of  
16 English language development standards and  
17 high-quality assessments, if requested by a  
18 State participating in activities under subtitle A  
19 of title III; and

20           “(B) by developing native language tests  
21 for limited English proficient students that a  
22 State may administer to such students to assess  
23 student achievement in at least reading, science,  
24 and mathematics, consistent with section 1111.

1       “(b) AUTHORIZATION OF APPROPRIATIONS.—There  
2 are authorized to be appropriated to carry out this section  
3 \$150,000,000 for fiscal year 2002, and such sums as may  
4 be necessary for each of the 4 succeeding fiscal years.

5       “(c) RESERVATION.—From the amounts appro-  
6 priated under subsection (b) the Secretary shall reserve  
7 \$10,000,000 for the purposes of carrying out activities  
8 under section 1202(c).

9       “(d) SPECIAL RULE FOR SECRETARY AWARDS.—

10           “(1) IN GENERAL.—Notwithstanding any other  
11 provision of this Act, a recipient of funds provided  
12 under a direct award made by the Secretary, or a  
13 contract or cooperative agreement entered into with  
14 the Secretary, shall include the following in any ap-  
15 plication or plan required under such programs:

16           “(A) How funds provided under the pro-  
17 gram will be used and how such use will in-  
18 crease student academic achievement.

19           “(B) The goals and objectives to be met,  
20 including goals for dissemination and use of the  
21 information or materials produced.

22           “(C) How the recipient will track and re-  
23 port annually to the Secretary—

24           “(i) the successful dissemination of in-  
25 formation or materials produced;

1                   “(ii) where information or materials  
2                   produced are being used; and

3                   “(iii) what is the impact of such use  
4                   and, if applicable, the extent to which such  
5                   use increased student academic achieve-  
6                   ment.

7                   “(2) REQUIREMENT.—If no application or plan  
8                   is required under a program, contract, or coopera-  
9                   tive agreement described in paragraph (1), the Sec-  
10                  retary shall require the recipient of funds to submit  
11                  a plan containing the information required under  
12                  paragraph (1).

13                  “(3) FAILURE TO ACHIEVE GOALS AND OBJEC-  
14                  TIVES.—

15                  “(A) IN GENERAL.—The Secretary shall  
16                  evaluate the information submitted under this  
17                  subsection to determine whether the recipient  
18                  has met the goals and objectives described in  
19                  paragraph (1)(B), assess the magnitude of dis-  
20                  semination, and assess the effectiveness of the  
21                  activity funded in raising student academic  
22                  achievement in places where information or ma-  
23                  terials produced with such funds are used.

24                  “(B) INELIGIBILITY.—The Secretary shall  
25                  consider the recipient ineligible for future

1 grants under the program, contract, or coopera-  
 2 tive agreement described in paragraph (1) if—

3 “(i) the goals and objectives described  
 4 in paragraph (1)(B) have not been met;

5 “(ii) dissemination has not been of a  
 6 magnitude to ensure national goals are  
 7 being addressed; and

8 “(iii) the information or materials  
 9 produced have not made a significant im-  
 10 pact on raising student achievement in  
 11 places where such information or materials  
 12 are used.

13 **“PART B—AMERICA’S EDUCATION GOALS PANEL**

14 **“SEC. 7101. AMERICA’S EDUCATION GOALS PANEL.**

15 “(a) PURPOSE.—It is the purpose of this section to  
 16 establish a bipartisan mechanism for—

17 “(1) building a national consensus for edu-  
 18 cation improvement; and

19 “(2) reporting on progress toward achieving the  
 20 National Education Goals.

21 “(b) AMERICA’S EDUCATION GOALS PANEL.—

22 “(1) ESTABLISHMENT.—There is established in  
 23 the executive branch an America’s Education Goals  
 24 Panel (hereafter in this section referred to as the

1       ‘Goals Panel’) to advise the President, the Secretary,  
2       and Congress.

3               “(2) COMPOSITION.—The Goals Panel shall be  
4       composed of 18 members (hereafter in this section  
5       referred to as ‘members’), including—

6               “(A) 2 members appointed by the Presi-  
7       dent;

8               “(B) 8 members who are Governors, 3 of  
9       whom shall be from the same political party as  
10      the President and 5 of whom shall be from the  
11      opposite political party of the President, ap-  
12      pointed by the Chairperson and Vice Chair-  
13      person of the National Governors’ Association,  
14      with the Chairperson and Vice Chairperson  
15      each appointing representatives of such Chair-  
16      person’s or Vice Chairperson’s respective polit-  
17      ical party, in consultation with each other;

18              “(C) 4 Members of Congress, of whom—

19              “(i) 1 Member shall be appointed by  
20              the Majority Leader of the Senate from  
21              among the Members of the Senate;

22              “(ii) 1 Member shall be appointed by  
23              the Minority Leader of the Senate from  
24              among the Members of the Senate;

1 “(iii) 1 Member shall be appointed by  
2 the Majority Leader of the House of Rep-  
3 resentatives from among the Members of  
4 the House of Representatives; and

5 “(iv) 1 Member shall be appointed by  
6 the Minority Leader of the House of Rep-  
7 resentatives from among the Members of  
8 the House of Representatives; and

9 “(D) 4 members of State legislatures ap-  
10 pointed by the President of the National Con-  
11 ference of State Legislatures, of whom 2 shall  
12 be of the same political party as the President  
13 of the United States.

14 “(3) SPECIAL APPOINTMENT RULES.—

15 “(A) IN GENERAL.—The members ap-  
16 pointed pursuant to paragraph (2)(B) shall be  
17 appointed as follows:

18 “(i) SAME PARTY.—If the Chair-  
19 person of the National Governors’ Associa-  
20 tion is from the same political party as the  
21 President, the Chairperson shall appoint 3  
22 individuals and the Vice Chairperson of  
23 such association shall appoint 5 individ-  
24 uals.



1                   “(ii) OPPOSITE PARTY.—If the Chair-  
2                   person of the National Governors’ Associa-  
3                   tion is from the opposite political party as  
4                   the President, the Chairperson shall ap-  
5                   point 5 individuals and the Vice Chair-  
6                   person of such association shall appoint 3  
7                   individuals.

8                   “(B) SPECIAL RULE.—If the National  
9                   Governors’ Association has appointed a panel  
10                  that meets the requirements of paragraph (2)  
11                  and subparagraph (A), except for the require-  
12                  ments of subparagraph (D) of paragraph (2),  
13                  prior to the date of enactment of the Public  
14                  Education Reinvestment, Reinvention, and  
15                  Responsibility Act (Three R’s), then the mem-  
16                  bers serving on such panel shall be deemed to  
17                  be in compliance with the provisions of such  
18                  paragraph and subparagraph and shall not be  
19                  required to be reappointed pursuant to such  
20                  paragraph and subparagraph.

21                  “(C) REPRESENTATION.—To the extent  
22                  feasible, the membership of the Goals Panel  
23                  shall be geographically representative and re-  
24                  flect the racial, ethnic, and gender diversity of  
25                  the United States.

1           “(4) TERMS.—The terms of service of members  
2 shall be as follows:

3           “(A) PRESIDENTIAL APPOINTEES.—Mem-  
4 bers appointed under paragraph (2)(A) shall  
5 serve at the pleasure of the President.

6           “(B) GOVERNORS.—Members appointed  
7 under paragraph (2)(B) shall serve for 2-year  
8 terms, except that the initial appointments  
9 under such paragraph shall be made to ensure  
10 staggered terms with  $\frac{1}{2}$  of such members’  
11 terms concluding every 2 years.

12           “(C) CONGRESSIONAL APPOINTEES AND  
13 STATE LEGISLATORS.—Members appointed  
14 under subparagraphs (C) and (D) of paragraph  
15 (2) shall serve for 2-year terms.

16           “(5) DATE OF APPOINTMENT.—The initial  
17 members shall be appointed not later than 60 days  
18 after the date of enactment of the Elementary and  
19 Secondary Education Amendments of 1999.

20           “(6) INITIATION.—The Goals Panel may begin  
21 to carry out the Goals Panel’s duties under this sec-  
22 tion when 10 members of the Goals Panel have been  
23 appointed.

24           “(7) VACANCIES.—A vacancy on the Goals  
25 Panel shall not affect the powers of the Goals Panel,

1 but shall be filled in the same manner as the origi-  
2 nal appointment.

3 “(8) TRAVEL.—Each member may be allowed  
4 travel expenses, including per diem in lieu of subsist-  
5 ence, as authorized by section 5703 of title 5,  
6 United States Code, for each day the member is en-  
7 gaged in the performance of duties for the Goals  
8 Panel away from the home or regular place of busi-  
9 ness of the member.

10 “(9) CHAIRPERSON.—

11 “(A) IN GENERAL.—The members shall se-  
12 lect a Chairperson from among the members.

13 “(B) TERM AND POLITICAL AFFILI-  
14 ATION.—The Chairperson of the Goals Panel  
15 shall serve a 1-year term and shall alternate be-  
16 tween political parties.

17 “(10) CONFLICT OF INTEREST.—A member of  
18 the Goals Panel who is an elected official of a State  
19 which has developed content or student performance  
20 standards may not participate in Goals Panel con-  
21 sideration of such standards.

22 “(11) EX OFFICIO MEMBER.—If the President  
23 has not appointed the Secretary as 1 of the 2 mem-  
24 bers the President appoints pursuant to paragraph

1       (2)(A), then the Secretary shall serve as a nonvoting  
2       ex officio member of the Goals Panel.

3       “(c) DUTIES.—

4           “(1) IN GENERAL.—The Goals Panel shall—

5               “(A) report to the President, the Sec-  
6               retary, and Congress regarding the progress the  
7               Nation and the States are making toward  
8               achieving America’s Education Goals, including  
9               issuing an annual report;

10              “(B) report on, and widely disseminate  
11              through multiple strategies, promising or effec-  
12              tive actions being taken at the Federal, State,  
13              and local levels, and in the public and private  
14              sectors, to achieve America’s Education Goals;

15              “(C) report on, and widely disseminate on  
16              promising or effective practices pertaining to,  
17              the achievement of each of the 8 America’s  
18              Education Goals; and

19              “(D) help build a bipartisan consensus for  
20              the reforms necessary to achieve America’s  
21              Education Goals.

22       “(2) REPORT.—

23           “(A) IN GENERAL.—The Goals Panel shall  
24           annually prepare and submit to the President,  
25           the Secretary, the appropriate committees of

Congress, and the Governor of each State a report that shall—

“(i) assess the progress of the United States toward achieving America’s Education Goals; and

“(ii) identify actions that should be taken by Federal, State, and local governments.

“(B) FORM; DATA.—Reports shall be presented in a form, and include data, that is understandable to parents and the general public.”.

## **TITLE VIII—GENERAL PROVISIONS AND REPEALS**

### **SEC. 801. REPEALS, TRANSFERS, AND REDESIGNATIONS REGARDING TITLES VIII AND XIV.**

(a) IN GENERAL.—The Act (20 U.S.C. 6301 et seq.) is amended—

(1) by inserting after title VII the following:

### **“TITLE VIII—GENERAL PROVISIONS”;**

(2) by repealing sections 14514 and 14603 (20 U.S.C. 8904, 8923);

1           (3)(A) by transferring title XIV (20 U.S.C.  
2       8801 et seq.) to title VIII and inserting such title  
3       after the title heading for title VIII; and

4           (B) by striking the title heading for title XIV;

5           (4)(A) by redesignating part H of title VIII (as  
6       redesignated by paragraph (3)) as part I of title  
7       VIII; and

8           (B) by redesignating the references to part H  
9       of title VIII as references to part I of title VIII;

10          (5) by inserting after part G of title VIII the  
11       following:

12       **“PART H—SUPPLEMENT, NOT SUPPLANT**

13       **“SEC. 8801. SUPPLEMENT, NOT SUPPLANT.**

14       “A State educational agency or local educational  
15       agency shall use funds received under the Act to supple-  
16       ment, and not supplant, State and local funds that, in the  
17       absence of funds under this Act, would otherwise be spent  
18       for activities under this Act.”;

19          (6) by redesignating the references to title XIV  
20       as references to title VIII;

21          (7)(A) by redesignating sections 14101 through  
22       14103 (20 U.S.C. 8801, 8803) (as transferred by  
23       paragraph (3)) as sections 8101 through 8103, re-  
24       spectively; and

1 (B) by redesignating the references to such sec-  
2 tions 14101 through 14103 as references to sections  
3 8101 through 8103, respectively;

4 (8)(A) by redesignating sections 14201 through  
5 14206 (20 U.S.C. 8821, 8826) (as transferred by  
6 paragraph (3)) as sections 8201 through 8206, re-  
7 spectively; and

8 (B) by redesignating the references to such sec-  
9 tions 14201 through 14206 as references to sections  
10 8201 through 8206, respectively;

11 (9)(A) by redesignating sections 14301 through  
12 14307 (20 U.S.C. 8851, 8857) (as transferred by  
13 paragraph (3)) as sections 8301 through 8307, re-  
14 spectively; and

15 (B) by redesignating the references to such sec-  
16 tions 14301 through 14307 as references to sections  
17 8301 through 8307, respectively;

18 (10)(A) by redesignating section 14401 (20  
19 U.S.C. 8881) (as transferred by paragraph (3)) as  
20 section 8401; and

21 (B) by redesignating the references to such sec-  
22 tion 14401 as references to section 8401;

23 (11)(A) by redesignating sections 14501  
24 through 14513 (20 U.S.C. 8891, 8903) (as trans-

1       ferred by paragraph (3)) as sections 8501 through  
2       8513, respectively; and

3               (B) by redesignating the references to such sec-  
4       tions 14501 through 14513 as references to sections  
5       8501 through 8513, respectively;

6               (12)(A) by redesignating sections 14601 and  
7       14602 (20 U.S.C. 8921, 8922) (as transferred by  
8       paragraph (3)) as sections 8601 and 8602, respec-  
9       tively; and

10              (B) by redesignating the references to such sec-  
11       tions 14601 and 14602 as references to sections  
12       8601 and 8602, respectively;

13              (13)(A) by redesignating section 14701 (20  
14       U.S.C. 8941) (as transferred by paragraph (3)) as  
15       section 8701; and

16              (B) by redesignating the references to such sec-  
17       tion 14701 as references to section 8701; and

18              (14)(A) by redesignating sections 14801 and  
19       14802 (20 U.S.C. 8961, 8962) (as transferred by  
20       paragraph (3)) as sections 8901 and 8902, respec-  
21       tively; and

22              (B) by redesignating the references to such sec-  
23       tions 14801 and 14802 as references to sections  
24       8901 and 8902, respectively.



1 (b) AMENDMENTS.—Title VIII (as so transferred and  
2 redesignated) is amended—

3 (1) in section 8101(10) (as redesignated by  
4 subsection (7)(A))—

5 (A) by striking subparagraphs (C) through  
6 (F); and

7 (B) by adding after subparagraph (B) the  
8 following:

9 “(C) part A of title II;

10 “(D) part A of title III; and

11 “(E) title IV.”;

12 (2) in section 8102 (as redesignated by sub-  
13 section (a)(7)), by striking “VIII” and inserting  
14 “V”;

15 (3) in section 8201 (as redesignated by sub-  
16 section (a)(8))—

17 (A) in subsection (a)(2), by striking “, and  
18 administrative funds under section 308(c) of  
19 the Goals 2000: Educate America Act”; and

20 (B) by striking subsection (f);

21 (4) in section 8203(b) (as redesignated by sub-  
22 section (a)(8)), by striking “Improving America’s  
23 Schools Act of 1994” and inserting “Public Edu-  
24 cation Reinvestment, Reinvention, and Responsibility  
25 Act (Three R’s)”;

(5) in section 8204 (as redesignated by subsection (a)(8))—

(A) by striking subsection (b); and

(B) in subsection (a)—

(i) in paragraph (2)—

(I) in the matter preceding subparagraph (A), by striking “1995” and inserting “2002”;

(II) in subparagraph (B), by inserting “professional development,” after “curriculum development,”; and  
(ii) in paragraph (4)—

(I) by striking “and section 410(b) of the Improving America’s Schools Act of 1994”; and

(II) by striking “paragraph (2)” and inserting “subsection (a)(2)”;

(III) by striking the following:

“(4) RESULTS.—” and inserting the following:

“(b) RESULTS.—”;

(IV) by striking the following:

“(A) develop” and inserting the following:

“(1) develop”; and

(V) by striking the following:

“(B) within” and inserting the following:

1 “(2) within”;

2 (6) in section 8205(a)(1) (as redesignated by  
3 subsection (a)(8)), by striking “part A of title IX”  
4 and inserting “part B of title III”;

5 (7) in section 8206 (as redesignated by sub-  
6 section (a)(8))—

7 (A) by striking “(a) UNNEEDED PROGRAM  
8 FUNDS.—”; and

9 (B) by striking subsection (b);

10 (8) in section 8302(a)(2) (as redesignated by  
11 subsection (a)(9))—

12 (A) by striking subparagraph (C); and

13 (B) by redesignating subparagraphs (D)  
14 and (E) as subparagraphs (C) and (D), respec-  
15 tively;

16 (9) in section 8304(b) (as redesignated by sub-  
17 section (a)(9)), by striking “Improving America’s  
18 Schools Act of 1994” and inserting “Public Edu-  
19 cation Reinvestment, Reinvention, and Responsibility  
20 Act (Three R’s)”;

21 (10) in section 8401 (as redesignated by sub-  
22 section (a)(10))—

23 (A) in subsection (a), by striking “Except  
24 as provided in subsection (c),” and inserting  
25 “Notwithstanding any other provision regarding

1           waivers in this Act and except as provided in  
2           subsection (c),”; and

3                   (B) in subsection (c)(8), by striking “part  
4           C of title X” and inserting “part B of title IV”;

5           (11) in section 8502 (as redesignated by sub-  
6           section (a)(11)), by striking “VIII” and inserting  
7           “V”;

8           (12) in section 8503(b)(1) (as redesignated by  
9           subsection (a)(11))—

10                   (A) by striking subparagraphs (B) through  
11           (E);

12                   (B) by adding :

13                   “(B) professional development activities in  
14           title II;

15                   “(C) title III;

16                   “(D) title VI.”; and

17           (13) in section 8506(d) (as redesignated by  
18           subsection (a)(11)), by striking “Improving Amer-  
19           ica’s Schools Act of 1994” and inserting “Public  
20           Education Reinvestment, Reinvention, and Responsi-  
21           bility Act (Three R’s)”;

22           (14) in section 8513 (as redesignated by sub-  
23           section (a)(11)), by striking “Improving America’s  
24           Schools Act of 1994” each place it appears and in-

1       serting “Public Education Reinvestment, Reinven-  
2       tion, and Responsibility Act (Three R’s)”;

3           (15) in section 8601 (as redesignated by sub-  
4       section (a)(12))—

5           (A) in subsection (b)(3)—

6           (i) in subparagraph (A), by striking  
7       “Improving America’s Schools Act of  
8       1994” and inserting “Public Education  
9       Reinvestment, Reinvention, and Responsi-  
10      bility Act (Three R’s)”; and

11          (ii) in subparagraph (B), by striking  
12      “Improving America’s Schools Act” and  
13      inserting “Public Education Reinvestment,  
14      Reinvention, and Responsibility Act (Three  
15      R’s)”; and

16          (B) in subsection (f), by striking “Improv-  
17      ing America’s Schools Act of 1994” and insert-  
18      ing “Public Education Reinvestment, Reinven-  
19      tion, and Responsibility Act (Three R’s)”; and

20      (16) in section 8701(b) (as redesignated by  
21      subsection (a)(13))—

22          (A) in paragraph (1)—

23          (i) in subparagraph (B)—

24              (I) in clause (i), by striking “Im-  
25      proving America’s Schools Act of

1                   1994” and inserting “Public Edu-  
2                   cation Reinvestment, Reinvention, and  
3                   Responsibility Act (Three R’s)”; and  
4                   (II) in clause (ii), by striking  
5                   “such as the initiatives under the  
6                   Goals 2000: Educate America Act,  
7                   and” and inserting “under”; and  
8                   (ii) in subparagraph (C)(ii), by strik-  
9                   ing “the School-to-Work Opportunities Act  
10                  of 1994, and the Goals 2000: Educate  
11                  America Act” and inserting “and the  
12                  School-to-Work Opportunities Act of  
13                  1994”; and  
14                  (B) in paragraph (3), by striking “1998”  
15                  and inserting “2004”.

16 **SEC. 802. OTHER REPEALS.**

17           Titles V, X, XI, XII, and XIII (20 U.S.C. 7201 et  
18           seq., 8001 et seq., 8401 et seq., 8501 et seq., 8601 et  
19           seq.) and the Goals 2000: Educate America Act (20  
20           U.S.C. 5801 et seq.) are repealed.

○